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Cross-organizational programme analysis of the activities of the United Nations system on industrial development

Report of the Secretary-General

SUMMARY

As decided by the Economic and Social Council in resolution 1988/77 of 29 July 1988, this cross-organizational programme analysis is to be the last of the traditional review type, before shifting to the new forward-looking thematic analyses in 1991. In this connection, a transitional chapter on industrial development and the environment is included.

This analysis generally conforms to the approach evolved over the years, whereby co-ordination issues are accorded a special place. The analysis reflects the policy statements of relevant organizations on industrial development as well as its relationship to the environment. It also pays particular attention to the collection of data on the programme activities in industrial development of all relevant organizations of the United Nations system, particularly those of the World Bank and the United Nations Industrial Development Organization. Such data covers both regular and operational programme activities. The analysis also includes information on the financial resources allocated to industrial development derived from both budgetary and extrabudgetary sources. The mandates under which the various organizations are operating in this field and the co-ordination procedures and mechanisms that have been established are also reviewed. Conclusions were provided, where appropriate, at the end of each chapter. Chapter I presents an Executive Summary and specific recommendations emerging from the analysis.

* E/AC.51/1990/1.

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I. EXECUTIVE SUMMARY AND RECOMMENDATIONS

A. Legislation and mandates

1. Several parts of this system-wide programme analysis indicate that, in the field of industrial development, the organizations of the United Nations system are rationally pursuing policies and action programmes based on the legislative mandates given by their individual governing bodies, by the Economic and Social Council and the General Assembly. On the whole, those policies, programmes and operational activities add up to a reasonable response to the mandates.

B. Policies

2. While policy changes and actual project activities invariably lag behind changes in global and national economic and industrial conditions, there is substantial evidence that United Nations organizations with significant activities in this field are aware of such changes and the operational imperatives they suggest. This new thinking is reflected, for example, in the recently adopted Medium-term Plan of UNIDO, which now emphasizes areas for priority attention that differ in substance and priorities from previous plans. For example, there is now greater emphasis on industrial infrastructure, management skills, technology transfer, entrepreneurship, small-scale industries and the environment, as well as the needs of special groups, such as women and the least developed countries.

3. This differs from the emphasis in previous periods, which was more on individual industrial plant development, the provision of technical expertise, industrial operations and processes and other traditional approaches. Similarly, UNIDO and other organizations appear to be taking a more sectorally integrated approach in which individual project activities are viewed within the overall perspective of how that activity relates to other supply and demand relationships in the sector or sub-sector, and even how the sector as a whole is affected by and, in turn, impacts on other parts of the economic, social and physical environment.

4. Whether this broader and more integrated approach proves to be superior to the earlier emphasis on individual plant and process type is not predictable. Based on earlier experience, there does seem to be a greater logic in the more comprehensive approach. But the ultimate test would be the effect those efforts have on promoting industrial growth in developing countries. While it is recognized that United Nations assistance in the field of industrial development represents only a small part of the national and international forces and resources that influence demand for industrial activities and the capabilities of individual firms, sectors or countries to respond to that demand, it is generally accepted that such United Nations programmes play a useful role in preparing the groundwork needed to allow each country to progress towards its potential capacity to participate in the industrialization process.

5. This work is measured in years or even decades, as the necessary institutional, technical and capital infrastructure is built up; and it often does

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not proceed smoothly, nor in a linear path. Policies shift as newer information becomes available and as results of earlier efforts become more evident. They are also subject, to a certain degree, to evolving theoretical trends. This is not to say that there is no consistency, but rather that the whole process of industrialization is complex and dynamic and varies from country to country depending on many internal and external factors. In short, there is no global orthodoxy, no one "best" approach. That accounts in large measure for the wide variety of programmes provided by and through United Nations systems and for the changes in emphasis over time.

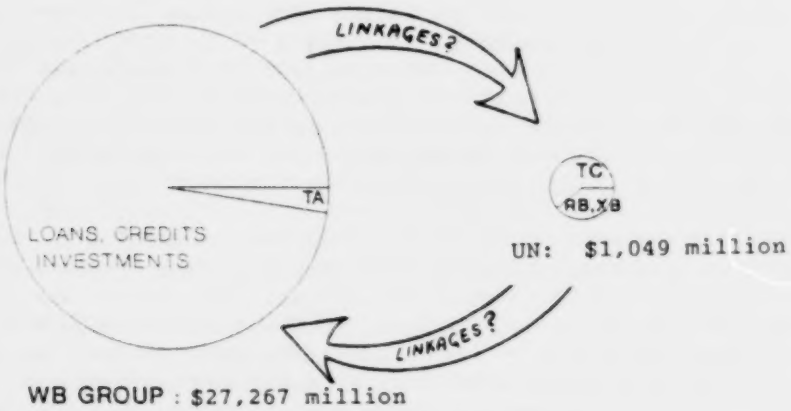
C. Programme and operational activities

6. Measured in financial terms, United Nations organizations 1/ as a whole provide only a modest contribution to industrial development in developing countries - just over $US 1 billion during the biennia 1986-1987 and 1988-1989 - although it has experienced substantial growth of about 25 per cent over the two biennia. It should be noted that all financial data presented reflect current or nominal values. This would apply to growth rates as well. During the same period, the IBRD and the IFC together channelled over $27 billion to industrial development activities and institutions in developing countries. Moreover, growth of the Bank's funding during the period was over 50 per cent.

7. As pointed out elsewhere, United Nations organizations and the World Bank provide essentially different types of assistance under different terms and conditions and often with different objectives. The World Bank provides resources primarily in the form of repayable loans with interest charges, while the United Nations resources are mainly in technical assistance activities, and other support services in grant form. This need not be considered problematic however, as there is a need for both approaches - provided that each group is reasonably aware of the policies and operational activities of the other, and take those into account in planning their own programmes and activities - at the global level and especially in individual countries. As is pointed out in the section on co-ordination and as the accompanying chart graphically illustrates, there is some question as to whether this is actually the case.

Expenditures on industrial development by the United Nations system: United Nations organizations and the World Bank Group 1986-1989

(Millions of United States dollars)



For further details on the breakdown of amounts mentioned above, see tables 3 and 8 and chart 5.

D. Industrial development and the environment

8. Most organizations now are well aware of the implications of industrial development efforts and the physical environment. Some have fairly well elaborated policy statements on this relationship. Only the World Bank, however, seems to have taken major steps to incorporate its policy into the actual programming and project approval process. The Bank's policies and procedures are quite comprehensive and well thought out. Given its dominant position among multilateral development organizations, it is in a position strongly to influence directions taken on this vital issue by recipient countries.

9. It is the view of many organizations, including the Bank, that a diversity of views and policy options is as valid on this issue as in the wider context of industrial development itself. Countries need practical advice and options on the potential costs and benefits of industrial/environmental choices for both the near term and long term.

Recommendations

(1) United Nations organizations active in industrial development should increase efforts within their own spheres of competence to bring about a greater understanding of the relative merits of environmentally favourable decisions, while bearing in mind their fundamental objective of supporting industrial development in developing countries.

(2) Given the special responsibilities of UNIDO in the field of industrial development and of UNEP in the field of environmental protection, and given the progress made on the issue of industrial development and the environment by the World Bank, it would be useful for those organizations to form a working group to consider jointly ways to promote effective policies and programmes in this field by the United Nations system as a whole. The System-wide Medium-Term Environment Programme should provide a useful guide in this connection.

(3) In this context, special efforts should be made by UNIDO and other United Nations organizations active in this field to put recently formulated and approved environmental policies and programmes into operation. That will require appropriate funding and setting of priorities.

(4) In the preparations for the 1992 Conference on Environment and Development, special attention should be given to the industrial growth objectives of developing countries. In that context, a full examination should be carried out of the potential means to achieve those objectives in environmentally-compatible ways, particularly at the national and individual investment levels. The joint effort by UNEP, UNIDO and the World Bank suggested above, together with other involved United Nations organizations, should be considered in this undertaking.

(5) Work on the thematic analyses on development and the environment, provisionally proposed by the Economic and Social Council for 1993, should begin at the earliest feasible time. New economic, technological and political strategies

have emerged from recent research and discussions on this theme and those concepts should be fully explored by responsible United Nations bodies.

E. Co-ordination

10. Co-ordinative linkages in the field of industrial development between many United Nations organizations and agencies, including UNIDO and the World Bank, should be strengthened. The two groups of multilateral organizations, all part of the United Nations family, would benefit by more up-to-date and practical awareness of each other's respective aims, policies and activities in this essential area of development. There is much to be gained by both groups of organizations and by the countries they serve, whether donor or recipient, through more dynamic and pragmatic exchanges of information, insights and expertise.

Recommendations

(1) United Nations system organizations with significant operations in industrial development, which do not now have active co-ordinative arrangements with the Bank, should consider establishing, under mutually agreeable terms, active and pragmatic co-ordinative arrangements.

(2) In the case of UNIDO, which has major responsibilities in this field, both directly as the principal United Nations organization in industrial development and as a result of its constitutional mandate to co-ordinate activities of all United Nations organizations in this field, it is specifically suggested that a substantive liaison function be established (a) to ensure a more intimate understanding of each organization's current policies and country-level work in this field, (b) to provide a flow of current information on research and co-ordinative activities of UNIDO to appropriate Bank officials, and (c) to promote greater collaboration on loan-related technical assistance and investment promotion through IFC.

(3) Beyond the close field co-ordination between UNIDO and UNDP, there was little information received to indicate that there was sufficient co-ordination of activities at the national level among the various organizations. Given the significant size of multilateral funding of activities for industrial development in some countries, it is recommended that co-ordination at the national level be strengthened. United Nations resident co-ordinators should play a pivotal role in this regard.

11. With regard strictly to the relationship between United Nations programmes of technical co-operation and the relatively small but important fraction of the Bank's work in this area, especially in its "soft TA", there may be additional opportunities for strengthening substantive linkages and information flows. In that context, UNDP, which channels funds for pre-investment purposes through both the Bank and United Nations organizations as executing agencies, and as the major multilateral source of technical assistance at the operational level, might be in a position to act as a balance-wheel by keeping both groups of organizations aware of

relevant project developments to be executed within its country-programming framework.

Recommendation

UNDP should consider ways and means to provide an information exchange function, with regard to pre-investment activities it funds in this field, which could be of substantive interest to both groups of executing agencies. Ways to accomplish this might be considered both at the headquarters level and as part of the responsibilities of the resident co-ordinators.

F. Other activities

12. As requested, the analysis also covers certain specific geographic or special-purpose activities. Those are dealt with in the section on Programme and operational activities in the main text, but are grouped separately in this summary section.

1. LDCs

13. The LDCs presently receive a proportionately lower share of technical assistance funding and loans compared with the other developing countries. It is understood that existing conditions for loan approvals create difficulties for LDCs in obtaining World Bank loans.

Recommendation

Given the precarious nature of their economies, the overall level of funding (in an appropriate mix of technical assistance and loans) should be increased if viable and sustained attempts are to be made to improve the industrial development base of the economies of these countries.

2. Economic Co-operation for Developing Countries/Technical Co-operation among Developing Countries (ECDC/TCDC)

14. As indicated in chapter V, charts 4 and 6 show that a large share of funding for both operational activities and loans go to the Asian, Latin American and African regions. It would appear from the submissions that little use has been made of ECDC/TCDC. It is believed that such sizeable funding provides a potential for greater use of those concepts.

Recommendation

Greater use should be made of this policy approach, particularly in a region like Asia, where the newly industrialized countries have developed advanced and highly diversified industrial structures.

3. Women and industrial development

15. As observed in the 1989 cross-organizational programme analysis on the advancement of women (E/1989/19), while there is a fairly large body of legislation on the role of women in industrial development, the level of activities on this issue by United Nations organizations is quite low. This is inconsistent with the aim of the mandates themselves and with the increasing role of women in the industrialization process, particularly in the newly industrialized countries. That situation has not changed significantly in the intervening year.

Recommendations

(1) United Nations organizations should give a higher priority in industrial development programmes and project activities designed to enable women to participate in the industrialization process to their full potential.

(2) The system-wide medium-term plan on women and development, 1990-1995, should be a principal guide to individual agency programming and priority setting.

II. INTRODUCTION

A. Background

16. At its twenty-eighth session, the Committee for Programme and Co-ordination (CPC) considered the report of the Secretary-General on the subject of the 1990 cross-organizational programme analysis (E/AC.51/1988/3). The report examined four topics which, in the view of the Secretary-General and the Administrative Committee on Co-ordination, were suitable for the 1990 cross-organizational programme analysis. The four topics presented for the Committee's consideration were: industrial development, transport, population and human resources development.

17. After considering the relative merits of each, the Committee concluded that industrial development should be the topic of a cross-organizational programme analysis for consideration in 1990 and requested the Secretary-General to submit a report on the proposed scope and general approach of the programme analysis for its review in 1989. At its twenty-ninth session (1989), the Committee had before it a report of the Secretary-General (E/AC.51/1989/9) indicating the scope and general approach of the cross-organizational analysis on the activities of the United Nations system related to industrial development.

18. The Committee noted with satisfaction that the United Nations Industrial Development Organization (UNIDO) had been consulted in the preparation of the report and had indicated its willingness to co-operate fully in the forthcoming analysis. In this respect, the Secretary-General had already proposed that, if the Committee were to recommend industrial development for the 1990 cross-organizational programme analysis, it would be important to bring that decision to the attention of the Industrial Development Board at its meeting in 1988. In keeping with the Committee's recommendation that such analysis should be reviewed whenever possible by the competent substantive intergovernmental body, the Secretary-General promptly informed UNIDO of the Committee's decision to select industrial development as the topic for the 1990 cross-organizational programme analysis. Arrangements were made to bring the proposed scope and general approach of the cross-organizational programme analyses to the attention of the Industrial Development Board. In that context, views expressed by Board members in adopting decision IDB.4/Dec.22 were taken into account in preparing the final report.

19. The Economic and Social Council, in its resolution 1988/62, of 27 July 1988, endorsed the conclusions and recommendations made by CPC.

B. Conceptual framework and approach

20. The programmatic structure of COPA was originally focused on a set of eight areas identified by UNIDO as the priority sectors of operation outlined in its draft Medium-Term Plan for 1990-1995. Data received from agencies and organizations of the United Nations system participating in the programme analysis were to be organized in relation to these key areas. However, in view of the wide range of activities carried out by organizations of the United Nations system, the

programme focus was restructured into four major groups, with several substantive areas in each group (see chap. V on programme and operational activities).

21. It should be noted that, with regard to the provision of data, a close approximation of overall expenditure was considered sufficient. The numbers presented should be regarded as indicative figures underlying the main analytical themes and conclusions, rather than exact representations of expenditures in an accounting sense. As previously noted, the amounts are presented in nominal terms, with no adjustment for fluctuations in real value. In keeping with the recommendation of the Committee at its twenty-ninth session that it should serve as a transitional function between previous COPAs and the forward-looking thematic analyses to be undertaken under the terms of Economic and Social Council resolution 1988/77, this final programme analysis gives special attention to the issue of industrial development and the environment. As also recommended, attention is given to the special problems of LDCs in meeting their industrialization needs and to activities of the system regarding women in industrial development.

1. Time horizon of the analysis

22. Ideally, cross-organizational programme analyses should cover at least two programme biennia. More important is the need to focus the analysis on recent years so as to make any resulting recommendations as timely as possible. Accordingly, this report covers mainly the 1986-1987 and 1988-1989 biennia. Where feasible, the programme implications of new medium-term plans and programme budgets of the organizations are also taken into account. A more detailed explanation of the way in which the information was organized and analysed is presented in chapter V on programme and operational activities.

23. It should be understood that this analysis does not attempt a comprehensive survey of industrial activities in developing countries. Such information is provided in extensive detail in the annual reports of UNIDO, in the World Economic Survey produced by the Department of International Economic and Social Affairs of the United Nations, and the World Development Reports of the World Bank. 2/ The present report contains an analysis of what United Nations organizations have been doing in the field of industrial development over the two most recent biennia. That information is reviewed in relation to the legislative mandates given to the different organizations and to the policies, and programmes and operational activities undertaken to carry them out. The issue of co-ordination is given a special focus as that is one of the main purposes of such cross-organizational programme analyses.

2. Some issues of definition

24. Industrial development can be interpreted broadly to encompass many activities which do not normally come to mind under the heading of "industry", for example, hotel and tourism activities, utilities, mining, construction and so on. It can also be more narrowly interpreted, where the focus is essentially on manufacturing and related technologies, the definition preferred by UNIDO. When one refers to the industrial development of developing countries, the reference is generally

to growth in the modern manufacturing sector, which is the dynamic source of the change of technologies and growth of incomes. This analysis takes the broader approach so as to accommodate the activities of the responding United Nations organizations, as they define industrial development. This may account to some extent for the comparatively high level of operations reported by the World Bank Group. At the same time, activities of other organizations in the United Nations system were also reported as presented. Thus, it may be said that the data reported on and analysed in the study are inclusive of all activities indicated by responding organizations as representing their contributions to industrial development in developing countries.

III. LEGISLATIVE INSTRUMENTS AND MANDATES

25. This section reviews the United Nations system's legislative history concerning industrial development from 1975 to 1989. A complete list of legislation was drawn up from published documents and replies received from the agencies. 3/ Some resolutions, mainly on UNIDO organizational matters, were not included in the analysis in order to concentrate more attention on substantive issues. This section mainly concerns legislation affecting United Nations organizations. Legislation concerning the World Bank Group was not available for the analysis and is therefore not included in this section.

26. For the purposes of this analysis, "legislation" is taken to mean all legislative instruments relevant to industrial development. A mandate is defined as a legislative instrument that requests specific action of the Secretary-General, the organizations of the United Nations system and, in some cases, Governments or non-governmental organizations.

27. All legislative instruments were classified into four major categories as follows:

(a) Legislative instruments on substantive areas of major emphasis

- Industrial Development Decade for Africa;
- Emergency and technical assistance;
- Industrial Development Co-operation;
- Employment;
- Environment (UNIDO priority area);
- Important comprehensive legislative instruments and their follow-up;
- Human resources (UNIDO priority area);
- Industrial rehabilitation (UNIDO priority area);
- Regional programmes of action;
- Science and technology;
- Transfer of technology (UNIDO priority area).

(b) Legislative instruments on other substantive areas

- Engineering industries;
- Entrepreneurship;
- Industrial property;
- Manufacturing industries;
- Trade unions;
- Strengthening of operational activities;
- Food and agriculture, rural development;
- Public sector, informal sector, individual sectors of industry;
- Human settlements;
- Health and occupational safety;
- Small-scale industries (UNIDO priority area);
- Social policies;
- Industrial statistics;
- Trade;
- Youth.

(c) Legislative instruments on thematic programme areas

- Mobilization of financial resources for industrial development;
- Economic co-operation among developing countries;
- Integration of women in industrial development;
- Least developed countries.

(d) Legislative instruments related to organizational matters (mainly UNIDO)

- Conversion of UNIDO into a specialized agency;
- Relationship of UNIDO with other organizations;
- Financial regulations;
- Organizational legislative instruments.

28. Proceeding from those categories, about 400 legislative instruments adopted by the United Nations system were identified.

29. More than 23 per cent are resolutions and decisions of the Economic and Social Council, the General Assembly and United Nations conferences. Nearly 24 per cent are those adopted by regional commissions and governing bodies of United Nations programmes (UNEP, UNICEF, UNCHS, UNCTAD, UNIDO (before 1985)). About 53 per cent were adopted by the specialized agencies (UNIDO (after 1985), ILO, WIPO and FAO).

Table 1. Legislative instruments, 1975-1989

Legislative instruments	Number	Percentage
Legislative instruments of United Nations conferences and resolutions of the Economic and Social Council and General Assembly adopted before 1985.	58	15
Legislative instruments of United Nations conferences and resolutions of the Economic and Social Council and General Assembly adopted after 1985.	31	8
Legislation adopted by regional commissions (ECA, ECE, ECLAC, ESCWA).	32	8
Legislation adopted by United Nations voluntary programmes (UNEP, UNCHS, UNICEF, UNCTAD).	27	7
Legislation adopted by UNIDO before 1985.	37	9
Legislation adopted by UNIDO after 1985.	135	34
Legislation adopted by the specialized agencies (ILO, FAO, WIPO).	77	19
Total	397	100

A. Trends in legislation

30. A close review of legislation indicates certain tendencies and trends.

B. Global and ad hoc legislation bodies

31. Legislation adopted by the Economic and Social Council and the General Assembly concentrates mostly on issues of industrial development co-operation, world industrial restructuring and redeployment, the Industrial Development Decade of Africa, the United Nations Programme of Action for African Economic Recovery and Development (1986-1999), and the transfer of technology. A number of United Nations conferences (Habitat: United Nations Conference on Human Settlements, United Nations Conference on Desertification, United Nations Conference on Technical Co-operation among Developing Countries, United Nations Conference on Science and Technology for Development, United Nations Conference on the Exploration and Peaceful Uses of Outer Space, United Nations Conference on the Least Developed Countries and the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace) adopted over the years various legislative instruments related to industrial development.

C. Regional commissions

32. The Economic Commission for Africa (ECA) put the major emphasis on the acceleration of industrial development in Africa taking into account industrial development decades for Africa and the United Nations Programme of Action for African Economic Recovery and Development. ECA co-operates with UNIDO, the main operational entity, and the Organization of African Unity (OAU) in sharing responsibilities for the Industrial Development Decade for Africa. The Economic Commission for Europe (ECE) stressed legislation on engineering industries and promotion of trade and industrial co-operation in the region. The Economic Commission for Latin America and the Caribbean (ECLAC) was mostly interested in industrial aspects of international development strategies and the Latin American Development Decade. ESCWA is putting major emphasis on legislation related to financial assistance to existing industries. The Economic and Social Commission for Asia and the Pacific (ESCAP) attaches importance to assessment of industrial restructuring and promotion of competitiveness of manufacturing, industrial skills development and industrial development of least developed and island developing countries of the region.

D. United Nations organizations

33. The United Nations Commission on Human Settlements has adopted legislation on the role of the construction industry in human settlements programmes and national economic and social development. The United Nations Environment Programme (UNEP) is concerned with industry and the environment. The United Nations Conference on Trade and Development (UNCTAD) is putting major emphasis on economic, commercial and developmental aspects of industrial property, transfer of technology and

measures for expansion of manufactures and semi-manufactures of developing countries.

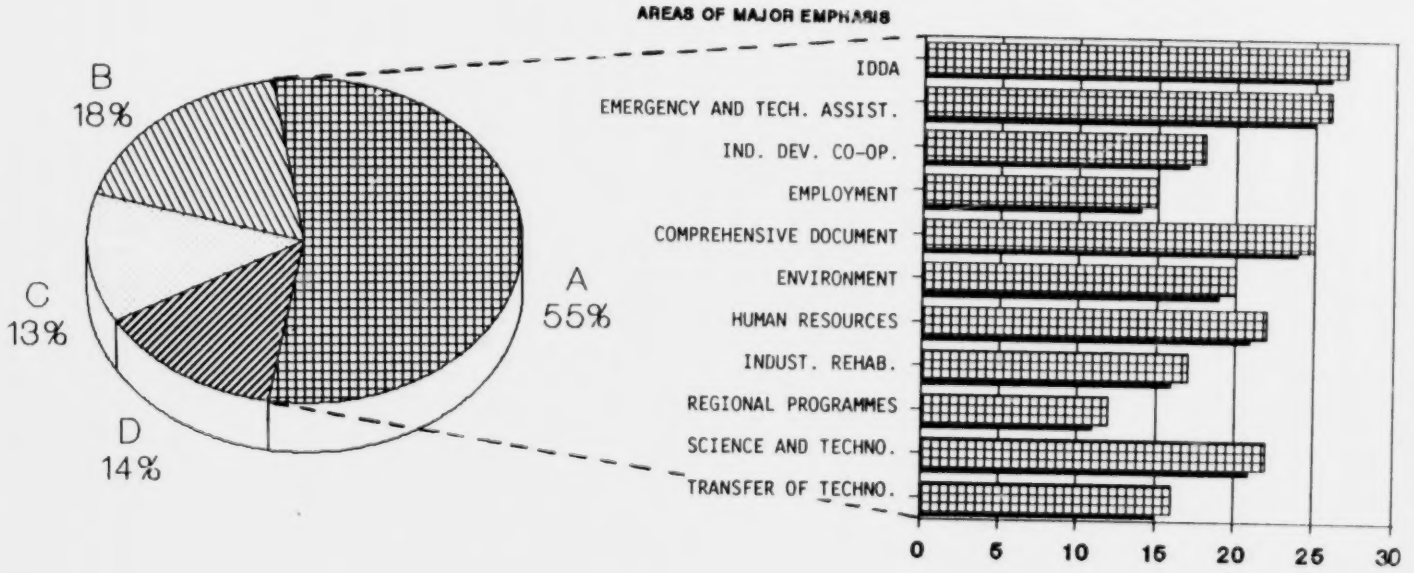
E. Specialized agencies

34. Most of the 169 Conventions and 176 Recommendations adopted by ILO since 1919 (to end 1989) have an impact on the subject of industrial development. Many of those instruments are intended to ensure that the human dimension is taken into account in the process of industrialization, in such areas as the prevention of child labour and of occupational hazards and accidents, development of social security systems, protection of migrant workers, vocational guidance and training, and on employment policy. There are a number of instruments in the field of labour administration (incuding labour statistics, labour inspection and others) and on industrial relations (freedom of association and the right of collective bargaining, and freedom from discrimination in the workplace), which are integral parts of the proper functioning of an industrial economy. The Food and Agriculture Organization of the United Nations (FAO) is concerned mainly with industries dealing with the processing of food and agricultural products.

35. Since 1985, UNIDO has adopted 65 per cent of all United Nations system legislation related to industrial development and the Economic and Social Council and the General Assembly less than 15 per cent. Before 1985, UNIDO accounted for about 43 per cent, including a number of major documents, such as the Lima Declaration and Plan of Action on Industrial Development and Co-operation (A/10112, chap. IV) and the New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for Their Industrial Development (ID/CONF.4/22 and Corr.1, chap. VI). Before the conversion of UNIDO into a specialized agency, its major emphasis was on permanent sovereignty over natural resources, industrialization in developing countries, the human aspects of industrial development, integration of women in development and the least developed countries. After UNIDO became a specialized agency, a number of legislative instruments were adopted on organizational matters, including legislation on co-ordination and the relationship of UNIDO with intergovernmental, governmental and non-governmental organizations, as well as legislation on the progress of industrialization of the least developed countries, development and transfer of technology, integration of women in development, the Industrial Development Decade for Africa, and the mobilization of financial resources for industrial development.

36. Chart I shows a breakdown of legislative instruments adopted since 1975 by major categories.

Chart 1
Legislative instruments by major categories*
1975 - 1989



A - SUBSTANTIVE AREAS OF MAJOR EMPHASIS
B - LEGISLATIVE INSTRUMENTS ON OTHER SUBSTANTIVE AREAS
C - LEGISLATIVE INSTRUMENTS ON THEMATIC PROGRAMME AREAS
D -LEGISLATIVE INSTRUMENTS RELATED TO ORGANIZATIONAL MATTERS

* **See para. 27.**

Conclusions

37. There is a far greater number of legislative instruments than actual mandates. About 47 per cent of the total number of legislative instruments may be considered mandates for the system. However, almost all the legislative instruments adopted in 1989 are mandates for the system.

38. On the whole, mandates appear to provide a sufficient basis for action. Many organizations, however, need only a general constitutional mandate for action in their particular area. The programmes of others are governed by periodic mandates of governing bodies. Finally, some organizations, particularly operational and financing bodies, do not need specific mandates beyond those covering overall operations.

39. Generally, there has been a tendency for mandates to consist of requests for carrying out specific activities or programmes, rather than providing, at the intergovernmental level, clear conceptual guidance on where the major thrust of the activities should be.

40. More than 48 per cent are mandates for "legislative instruments on substantive areas of major emphasis". The analysis reveals that the topics examined occupy different time-frames. For example, industrial co-operation, science and technology, human resources, comprehensive documents, as well as employment and the environment had very even coverage during the period from 1975 to 1989. The topic on the Industrial Development Decade for Africa was initiated in 1980. Transfer of technology and industrial rehabilitation gained momentum after the period from 1983 to 1987. However, not so many legislative instruments were identified for the category "industrial rehabilitation". Those that were identified deal with industrial restructuring or emergency industrial rehabilitation to certain countries.

41. Although the number of legislative instruments identified under each of the topics of "other substantive areas" is actually small, they include certain important issues, such as industrial statistics, trade, entrepreneurship etc. Of this category, 57 per cent are mandates.

42. Within the category of legislative instruments on "UNIDO thematic programme concepts" 45 per cent are mandates. That group includes legislation related to UNIDO thematic programme concepts, on the basis of which extra efforts should be made to adjust the UNIDO work programme in response to priority issues that reflect changing global conditions.

43. For the category of "legislative instruments related to organizational matters", slightly more than 41 per cent may be considered mandates for the system. One of the major areas in that category is the conversion of UNIDO into a specialized agency. Legislation on that issue was adopted beginning in 1978. A related subject on the co-ordination of UNIDO relationships with other organizations was initiated in 1985.

IV. POLICIES

44. All relevant organizations were requested to provide a brief statement of their policies on industrial development. The following analysis is based on actual policy statements provided by all organizations and bodies of the United Nations system that responded. It summarizes the main policy orientation and highlights any clear trends in policy direction.

45. The policies of United Nations agencies and organizations relating to industrialization are governed by their respective governing mandates. This has meant that the focus of some of the agencies and organizations has been on the issue of the transfer of technology. That emphasis is reflected in the policy statements, particularly of UNIDO, UNCTAD, UNESCO, ILO, United Nations Centre for Human Settlements, UNU and the Centre for Science and Technology for Development. Policies relating to women and industrialization are also covered in the present chapter mainly for the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW) and ILO. Although there are other organizations like UNIDO and UNOV with policy positions on women and industrial development, those policies, as shown in chapter IV, are not yet being fully implemented in actual programme activities.

46. Many organizations indicate an awareness of some of the difficulties and constraints which have impeded the progress of industrial development. In addition to such well-known external phenomena as high interest rates, debt servicing and foreign exchange shortfalls, these cover such internal issues as the weakness of much of the indigenous technological and managerial capacity, reliance on and need to import foreign technology, inappropriate adaptation of technological policies, and the use of narrow import liberalization approaches. Those phenomena have led organizations to reorient their own organizational industrial development policies to focus on such issues as structural adjustment, raising of productivity levels through training, improved conditions of work and industrial relations and improved safety of the workplace, removal of distortions in the financial sector, creation of a more competitive environment in order to stimulate modernization and structural change and the establishment of a Globalized and Production Network.

A. Centre for Science and Technology for Development

47. The programme of work of the Centre in the area of industrial development focuses on endogenous capacity-building on science and technology for developing countries with a view to facilitating autonomous and independent policy options in science and technology. Such capacity relates to technology assessment to meet development requirements, including those in the industrial domain. There is a special focus on the "Environmentally Sound Technology Assessment" (ESTA) initiative, which addressess policy responses related to environmentally sound technology options. Special emphasis is given on ways and means of increasing the share of developing countries in the international research and development co-operation of environmentally sound technologies and facilitating the transfer of such technologies to those countries.

B. United Nations Environment Programme

48. UNEP carries out its activities related to industrial development mainly through its Industry and Environment Office, which was established in 1975 to bring industry, Governments and non-governmental organizations together to work towards environmentally sound forms of industrial development. To this end, the Office concentrates on the formulation and promotion of appropriate policies and strategies that seek to define and encourage the incorporation of environmental criteria in industrial development, to formulate and facilitate the implementation of principles and procedures to protect the environment, to promote the use of safe, low and non-waste technologies, and to stimulate the exchange of information and experience on environmentally sound forms of industrial development throughout the world. In addition, the Office seeks to catalyse environmentally sound forms of industrial development in more general but no less important ways - through, for example, the introduction of awards for environmental achievements by industrial concerns, and meetings designed to catalyse industrial action on environmental issues at the highest level.

C. United Nations Centre for Human Settlements

49. The main involvement of the Centre in industrial development has been also in the area of the transfer of technology. The Centre has been seeking to strengthen the technical capacity of the developing countries for the production of low-cost building materials and the development of indigenous technologies for the provision of shelter and infrastructure to meet the needs of the entire population, especially the poor and disadvantaged. This general policy is expected to lead to reduction in the importation of building materials, thus saving on foreign exchange. It is also aimed at creating job opportunities in the formal and informal sectors of the economy.

D. United Nations Conference on Trade and Development

50. The role of UNCTAD in the field of industrial development has focused on the promotion of the transfer of technologies to developing countries under equitable forms and conditions and the development of their indigenous technological capabilities, including their capacity to cope with the trade and development implications of technological change. UNCTAD activities in this area have included contribution to the technological transformation of developing countries, analysis of trade competitiveness and the role of technological innovations and technology transfer, analysis of policy implications for the developing countries of the transfer and development of technology in specific sectors (capital goods, energy, food processing), analysis of transfer of technology by small and medium-size enterprises to developing countries and analysis of all aspects of the international migration of skilled personnel from developing countries.

E. Economic Commission for Africa

51. The Industrial Development Decade for Africa has been one of the major, if not the major regional project in the field of industrial development during the period covered by COPA. The role of the industrial sector is of particular importance in bringing about the necessary structural transformation of African economies. It is in that context that the current policies and strategies of ECA on industrial development in Africa have been designed to assist Governments and intergovernmental organizations in the development and promotion of capabilities for the formulation of industrial policies, strategies, plans and programmes geared towards industrial rehabilitation, improvement of industrial productivity and rationalization of existing industrial structure, and promotion of technological and entrepreneurial capabilities especially for small-scale industries. Substantial sectoral programming work is carried out by UNIDO to assist in laying the groundwork of the Second Industrialization Decade for Africa.

52. In order to implement the above policy orientation, the secretariat of ECA delineated four major areas, namely, policy development, planning and institution-building, development of basic industries, development of agro-based and forest-based industries and development of small-scale industries.

53. Under policy development, planning and institution-building, the strategy is to assist African countries to identify the problems facing them in industrial development and to co-operate in the formulation of policies and strategies for transforming the present industrial set-up into one that promotes self-reliant and self-sustaining industrialization at national, subregional and regional levels, and in the development and promotion of institutions which are needed to support the manufacturing sector.

54. In the development of basic industries, the task has been to assist Governments and intergovernmental organizations in the identification, preparation and implementation of resource-based and engineering projects; to assess existing industries with a view to determining the level of capacity utilization; and to propose measures for rehabilitating such industries within the framework of national and subregional integration and co-operation programmes.

55. In the development of agro-based and forest-based industries, assistance is provided to help establish those industries to rehabilitate existing ones. In that regard, particular emphasis is placed on food-processing industries, which should contribute to the attainment of food self-sufficiency and the reduction of food losses.

56. To support the development of small-scale industries, ECA has been providing assistance to member States in formulating policies and strategies in this area with a view to integrating them not only into the overall industrial set-up, but also into overall development plans and programmes. Efforts are directed towards the identification of sources of information on raw materials, appropriate technology and distribution channels, and in providing training facilities, as well as the necessary institutional and physical infrastructures.

F. Economic Commission for Latin America and the Caribbean

57. In the case of Latin America, where industrial expansion was largely nourished by policies of protectionism, ECLAC has stated that it has been placing greater emphasis on a policy of productive transformation based on human resources applied to innovations in the processing of natural resources.

58. The kind of public intervention required to promote that productive transformation is different from that which favoured industrialization in the prior phase. The three main strategic criteria orienting this proposal are real competitiveness, productive articulation and strategic public-private sector co-operation. The first refers to the capacity to increase and sustain the region's participation in international markets at a level consistent with increases in the level of well-being of the population. The systemic character of competitiveness is emphasized, reflecting the fact that, in international markets, the competition is between productive systems and that private firms are a crucial element in this competition. The second implies favouring the articulation of industry with natural resources and with the services that support productive activities. Priority is removed from the manufacturing sector as a whole and assigned to those specific goods-and-services producing subsectors that contribute to incorporating and diffusing technological progress to the overall productive system. A broad concept of technology is adopted that embraces not only processes and products, but also management in all its distinct aspects. The third and final one refers to the modification of institutions and policies with the objective of inducing behaviour that matches the criteria mentioned above. Institutional co-operation between the Government, private enterprises and the labour sector has to be favoured. In the previous industrialization phase, macro-economic equilibria were not considered a necessary condition for development; then in the 1980s, with drastic changes in investment, macro-economic equilibria were considered to be the sufficient condition. The proposal is to complete this cycle in the 1990s with a policy scheme that must consider the macro-economic equilibria as a necessary but not sufficient condition, to be complemented with sectoral policies.

G. Economic and Social Commission for Asia and the Pacific

59. The Commission stressed that the countries of the region should create favourable macro- and micro-economic environments in order to enhance the competitiveness of manufactured products from countries of the region. In seeking to achieve that objective, the secretariat of the Commission was mandated to assist the Governments in technology acquisition, industrial skill development, financing and investment, and in promoting trade of manufactured products. The Commission adopted a long-term strategy target of resource-based and technology-oriented industrialization and sought to use computer-aided design/computer aid manufacture (CAD/CAM) for the introduction of industrial automation.

60. The strategy for human resources development called for strengthening of linkages between industry, academic and research institutions and governmental and non-governmental organizations, in order to meet the changing requirements in technical and managerial skills and the need for new and emerging technologies for industry.

61. In terms of meeting financing and investment requirements for industrial growth and change, the Commission, while encouraging the flow of foreign private investment, stressed the greater mobilization of resources domestically through improvements in fiscal monetary policies.

62. The ESCAP region more than any other contains a diversity of developing countries in terms of the level, structure, pace and strategy of their industrial development. This has provided opportunities for regional co-operation through the promotion of economic co-operation among developing countries/technical co-operation among developing countries, particularly on the part of the newly industrializing countries of the region, which have built up advanced and highly diversified industrial structures, utilizing sophisticated industrial technologies. One aspect of that policy was an emphasis on assistance to the LDCs and the island developing countries.

H. Economic and Social Commission for Western Asia

63. The Commission has assisted Governments of the region in identifying industrial investment and development opportunities. It also studied ways and means of enhancing intraregional co-operation in industrial planning and the preparation and implementation of joint ventures, promoting industrial integration in order to help reduce the growing intraregional disparities in industrial activity and prosperity. It concentrates its activities in the following areas:

(a) The harmonization of sectoral, national and regional industrial plans, with special emphasis being given to industrial diversification, structural adjustment and the development of the private sector and small industry;

(b) The development of human resources for industry, including the development of management and technical skills, the creation of industrial entrepreneurship and the increased participation of women in industrial development;

(c) Industrial rehabilitation and the provision of assistance to selected branches of industry, war-torn areas and underdeveloped regions;

(d) Industrial development of technological capabilities, advanced technologies and their applications and industrial waste management and pollution control.

I. United Nations Development Programme

64. The policies of UNDP as defined by its governing body are set in terms of technical co-operation rather than in specific sectoral terms. Thus, the basic policy on industrial development of UNDP emphasizes the provision of assistance to requesting developing countries in accordance with their priorities as expressed in national country programmes. In this sense, the thrust of UNDP activities in the industrial sector is defined by the recipient Governments themselves.

65. UNDP also supports the five priority areas identified in the UNIDO medium-term plan, namely, human resources development, development and transfer of technology, small- and medium-scale industry, industrial rehabilitation, and the environment and energy, and gives priority to governmental requests in those areas of the industrial sector.

J. United Nations International Research and Training Institute for the Advancement of Women

66. The Institute has been particularly involved in promoting the increased participation of women in the industrial sector through its research, training and information activities. Among those activities, the ongoing development of two prototype modular training curricula for the development of managerial and entrepreneurial skills of women in developing countries is most salient. The first manual, developed in co-operation with UNIDO, focuses on women's participation in decision-making processes within the industrial sector in general. Particular attention is paid to women's participation in small- and medium-scale enterprises, as those are of essential importance for women's employment in industry. The second manual, developed in co-operation with the International Centre for Public Enterprises in Developing Countries (ICPE), deals with women's participation in management positions within the industrial public enterprises.

K. United Nations University

67. Aspects of the institutional development plans of the United Nations University also relate to industrial development, focusing on the transfer of technology. They include the Institute for New Technologies (INTECH), which is designed to carry out integrative work on the technical aspects of new technologies and their economic and social implications, to contribute to the blending of new and traditional technologies in order to promote the process of development, to assess the impact of new technologies on production, trade, employment and welfare, to improve understanding of the factors influencing diffusion and application of new technologies and to examine desirable directions of development of new technologies.

L. United Nations Industrial Development Organization

68. At the outset of the reporting period (January 1986), UNIDO was converted into a specialized agency, the primary objective of which is the promotion and acceleration of industrial development in the developing countries. The organization promotes industrial development and co-operation on global, regional and national, as well as sectoral levels. Against the background of the disappointing progress towards the Lima target (the attainment by the developing countries of a 25 per cent share in the total world industrial production), the international community undertook a number of initiatives to assist in the industrialization development process in developing countries.

69. Accompanying the conversion was a major restructuring of the UNIDO secretariat. This and subsequent developments allowed the organization to introduce a sharper country focus. Also, it allowed greater possibilities for regional, sectoral and thematic programming of technical assistance. 4/ Since then, the scope of the technical assistance programme has expanded substantially.

70. Within the programme of technical co-operation, several themes have emerged that reflect the immediate requirements of developing countries. One such theme is industrial rehabilitation, which is a dominant feature in industrial structural adjustment programmes. A second theme is the promotion of investment projects in developing countries as a means of increasing the flow of external resources to the industrial sector in developing countries. Another feature emerging has been the willingness of donor-country Governments to channel funds through the programme to investment projects in developing countries.

71. Taking into account the increasingly important role of the private sector and the constitutional mandate to co-operate closely with the private as well as the public sector, UNIDO has developed special self-financing trust-fund schemes with a view to enabling UNIDO to respond directly, promptly and efficiently to the needs of industrial enterprises (public, private, co-operative or mixed) in developing countries. Through special trust-fund arrangements, the organization can accommodate requirements not easily met by the traditional sources of financing. At the same time, UNIDO has entered into arrangements with enterprises in the private sector in developed countries to mobilize their expertise for the benefit of developing countries. 5/

72. In view of the challenges to the organization in the years ahead, the Third General Conference under the item entitled "New concepts and approaches for co-operation in industrial development", agreed to accord highest priority during the next UNIDO medium-term plan to four themes, namely, human resource development, development and transfer of technology, industrial rehabilitation (including industrial maintenance) and the development of small- and medium-scale industry.

73. Member States have stressed that, when addressing the above-mentioned target problem areas, UNIDO should accord priority in its programmes to the problems of the environment, energy and the integration of women in industrial development. Furthermore, it was stressed that, when designing co-operation activities, greater attention should be given to expanding opportunities and mechanisms for economic co-operation among developing countries, and the mobilization of financial resources for industrial development in developing countries.

74. In addition to its other priority areas, UNIDO has been playing an active role in the development and transfer of technology. The programme of UNIDO in this field is being implemented based on a strategy which includes research and studies, promotional programmes, major promotional projects and technical co-operation. Activities range from dissemination of industrial and technological information to strengthening the negotiating capabilities for the acquisition of technology, assistance in the formulation of technology policies and promotion of enterprise-level technological co-operation. For example, UNIDO, with the co-operation of the Economic and Social Commission for Western Asia, prepared a

study related to the framework for a master plan for the development of technological capabilities in the iron and steel industry for the Arab countries. Also, a joint project was undertaken on the identification and promotion of electronic industries. UNIDO has accelerated its efforts to increase the awareness of developing countries to the implications of technological changes largely through, for example, the promotion of the establishment of the International Centre for Genetic Engineering and Biotechnology and the International Centre for Science and High Technology.

M. World Bank

75. Despite the central co-ordinating role of UNIDO, the World Bank is clearly the dominant multilateral organization with by far the largest financial involvement in the area of industrial development. The World Bank's basic policy aims at accelerating the industrialization process in its borrowing member countries. In earlier periods, the Bank's industrial lending focused on building or rehabilitating capacity in heavy public industrial enterprises and channelling term credit for private industry through public development banks. During the 1980s, the Bank broadened the policy and institutional scope of its industrial operations. Lending fell into three major categories, grouped by primary purpose and reflecting the diverse needs of developing countries in adjusting to a rapidly changing global economy: lending for industry, trade and export policy reform programmes; financial policy and intermediation loans; and subsector and public enterprise restructuring.

76. The first category covers all operations with industry and trade policy reforms as the major objective. It includes quick disbursing of trade and industry adjustment loans, broad industrial restructuring operations, export promotion projects and related technology development operations. While this group dominated industrial lending in the mid-1980s, its share is gradually declining owing largely to the sharp drop in operations dealing primarily with trade policy reform. There is now a greater need for comprehensive competition policy packages which provide the competitive environment that is considered to be the most effective way to stimulate modernization and structural change.

77. Lending under the second category reflects the need to remove distortions in the financial sector as a prerequisite for industrial restructuring. Reform of interest rates and credit allocation are often necessary to improve savings mobilization and to provide appropriate incentives for efficient use of capital. Financial restructuring may be needed to isolate non-performing portions of banks' portfolios, to strengthen their capital base, and to introduce procedures and regulations to ensure sound management. When the financial system has been strengthened, lines of credit can help increase the resources available to new investments in response to changed incentives and opportunities.

78. In the case of the third major category, Bank support for private enterprise restructuring is mostly indirect, through the financial system and technical or government agents. Subsector diagnoses help pinpoint success factors for global competitiveness in major product groups and identify gaps between domestic and

international practice in technology, organization and marketing. Such assistance programmes include human resource programmes aimed at creating an adaptable labour force and management, funding for research and development, particularly to enhance domestic technological capacity and mechanisms to help firms form strategic alliances with companies operating globally.

N. International Labour Organisation

79. The ILO is mainly concerned with the social and labour aspects of industrial development. Its activities have focused on the training in skills for industrial occupations, management development and the participation of workers in decision-making. The ILO also promotes measures aimed at the reduction of occupational accidents and health hazards. Those measures, along with those promoting improved conditions of work and good industrial relations, contribute to the raising of productivity levels. Another major concern of ILO relates to the employment promotion aspect of industrial development and to securing equality of opportunity and treatment for all workers. ILO activities also aim at the development and implementation of adequate labour legislation and social security systems, as well as the strengthening of workers' and employers' organizations. The ILO has also been active in developing training programmes for women entrepreneurs, including training materials, and in examining the experiences with training programmes designed to alleviate the negative impact of adjustment processes for women in selected manufacturing industries, as well as establishing training guidelines for women in public and private formal sectors.

80. While the overall orientation of ILO mandates remains constant, recent developments have prompted the organization to emphasize certain areas of its activities. One of those concerns is to ensure the success of structural adjustment programmes while minimizing the social cost and ensuring sustainability. The adherence to international labour standards, the promotion of freedom of association, sound industrial relations and collective bargaining remain central in the achievement of that objective, as are measures to promote employment and facilitate the redeployment of labour. The resolution concerning the promotion of small and medium-sized enterprises, adopted by the International Labour Conference at its seventy-second session in 1986, calls for the development of a climate favouring entrepreneurship and the expansion of the small enterprise sector as a key component in the work of ILO on the implementation of long-term employment promotion and structural adjustment policies. The provision of vocational training that is responsive to the changing needs of the labour market is a recurrent theme in recent mandates. ILO constituents have, furthermore requested that several programmes, particularly those related to employment, training and working conditions show a more pronounced sectoral approach. In addition, various recent mandates urge ILO to pay increased attention to questions related to the environment and technological development.

81. The empirical investigative work of ILO in the area of new and emerging technologies like micro-electronics examines the impact on (a) direct and indirect employment, (b) occupational skills, and (c) the need for training and retraining of workers. Particular emphasis is placed on the impact of the transfer of modern

biotechnologies from the industrialized countries on employment, poverty alleviation and environmental conservation in third world countries.

O. Food and Agriculture Organization of the United Nations

82. The involvement of FAO in the industrial sector is mainly through its agro-industries activities. This is based on the linkages between the primary sector of the economy (agriculture, fisheries and forestry) and the rest of the national economy, including the industrial sector. In developing countries, that linkage is very strong in that these industries account for about 25 per cent of all industrial development and contribute nearly 20 per cent of the manufacturing output. The objective of the activities of FAO in this area is to assist member countries to develop food and agricultural products-processing through the promotion, selection, development and transfer of new and improved technologies. In carrying out its activities, FAO has emphasized the maintenance of closer links with activities covering plant and animal production, nutrition and marketing.

P. United Nations Educational, Scientific and Cultural Organization

83. The work of UNESCO in the area of the application of science and technology for industrial development has consisted of strengthening national scientific and technological capabilities, as well as developing machinery for international, regional and subregional co-operation by closely associating developing countries with such co-operation. UNESCO has sought to develop improved formulas for co-operation, such as large-scale intergovernmental scientific programmes and major regional projects for the application of science and technology to development. The organization has also sought to secure greater participation by developing countries, and by LDCs in particular, in such programmes and major projects.

Conclusions

84. The size of the World Bank's financial involvement in the industrial development sector is particularly noticeable, and it suggests that the World Bank is clearly influencing policy in this field. Furthermore, the World Bank is engaged not only in the aspect of structural adjustment financing, but also in the wider issue of environmental aspects of industrial development. Its investment-related loans are repayable over a long period. At the same time, the organizations of the United Nations system are providing different types of policy advice to countries at the pre-investment stage.

85. The policies of UNDP in this sector are mainly procedural in line with the process of requesting and approving technical co-operation assistance. Although this may well be attributed to the central role of country programming in its operations, there seems to be a need for an overall sectoral policy given that it is a major provider of funding for technical co-operation to United Nations organizations and bodies, including the World Bank.

86. There also seemed to be an apparent lack of any clear linkages between the policy framework of United Nations agencies and organizations and that of the World Bank in the pre-investment and follow-up investment phases of industrial development activity. This raises concerns about the complementarity of the policies of the different organizations and suggests the need for greater co-ordination in the development and implementation of policy in this field.

V. PROGRAMME AND OPERATIONAL ACTIVITIES

A. Methodology

87. Activities were categorized according to resource type: programme budget, including regular programme of technical co-operation, technical co-operation activities and World Bank loans and credits. World Bank data are presented separately from other organizations of the United Nations system because of the difference in financial allocations. The World Bank activities co-financed with UNDP and executed by the World Bank, as well as IFC activities funded by UNDP, were included in the analysis with the activities of other organizations of the United Nations system.

88. The data received from participating organizations was verified against published documents and grouped according to the classification prepared for this analysis, which consists of four major groups, each with several substantive areas.

89. Group I represents categories used in the United Nations system of national accounts. The following categories were identified:

(a) Mining;

(b) Manufacturing;

(c) Manufacturing of food and agricultural products and manufacturing of agricultural machinery;

(d) Utilities, including energy, water, gas and electricity;

(e) Construction.

90. Group II represents areas included in the International Standard Industrial Classification (ISIC) of all economic activities. Some of them are often understood as services:

(a) Health and occupational hazards;

(b) Hotels and tourism;

(c) Transportation;

(d) Repair and maintenance;

(e) Trade.

91. Group III represents so-called horizontal areas. The following categories were identified:

(a) Human resources;

(b) Small-scale industries;

(c) Standard implementation and quality control;

(d) Engineering.

92. Group IV consists of specialized categories, which include:

(a) Development of technology;

(b) Industrial rehabilitation;

(c) Planning and policies;

(d) Financing and investment promotion;

(e) Environment;

(f) All (mostly UNIDO comprehensive activities).

93. For the purpose of the analysis, programme activities were broken down by programme element. In cases where the programme element did not fit programming procedures, the subprogramme level was used. For operational activities, the project was the unit of analysis. The components were reviewed and resources apportioned accordingly.

94. In order to avoid double counting, activities are presented by the executing agency rather than by the funding agency. The activities of UNDP shown in the tables for executing organizations refer only to those projects executed through its own Office of Project Execution. UNDP funding activities are summarized in section G (see table 10). In addition to United Nations organizations, executing agencies also include the Asian Development Bank, Governments and non-governmental organizations. Activities shown for those entities refer only to projects funded by UNDP and UNIFEM.

95. Certain organizations 6/ did not provide information on their activities on industrial development. The report reflects such activities only on the basis of information received from other organizations (UNDP, UNIFEM) or taken from the United Nations programme budget.

96. In addition to data on the United Nations Centre on Transnational Corporations presented in table 3, which were included on the basis of information received from UNDP, regular budget activities of the Centre amounted to $81,000 and technical co-operation activities to $2,868,000 for two biennia.

B. Types and sources of funding

97. The analysis is based on activities carried out by 28 organizational units with resources of $466 million devoted to industrial development during the biennium 1986-1987 and of $583 million during the biennium 1988-1989: a total of

$1,049 million for two biennia. The broad distribution of resources by type and source of funding is shown in charts 2a and 2b and table 2.

98. World Bank loans are presented separately from organizations of the United Nations system (see sect. F) because of the relative greater size and volume of World Bank activities. It was decided to present information in that manner in order not overly to influence the analysis of the activities of the United Nations system.

Table 2. Expenditures of the United Nations system on industrial development by type and source of funding, 1986-1987 and 1988-1989

(Thousands of US dollars)

	1986-1987			1988-1989		
Type	Regular Budget	XB	Total	Regular Budget	XB	Total
Programme budget a/	154 250	35 166	189 416	186 731	33 491	220 222
Technical co-operation b/	-	276 743	276 743	-	362 691	362 691
Total	154 250	311 909	466 159	186 731	396 182	582 913

a/ Including the regular programme of technical co-operation.

b/ The majority of these technical co-operation activities are operational projects financed by UNDP (more than 2,800 projects for two biennia).

99. As can be seen, most of the programme budget activities (about 80 per cent of the resources) are funded from regularly assessed contributions, representing a long-term institutional commitment by the system. The balance of programme budget resources derive from extrabudgetary funds.

100. The majority of expenditures related to technical co-operation are financed by UNDP. Projects funded by UNDP (and executed by other organizations of the United Nations system) involve mainly development of human resources, promotion of small-scale industries, development of technologies, industrial rehabilitation and elaboration of planning and policies related to industry.

Chart 2A
Resources allocation by type of funding
1986-1987
(Millions of United States dollars)

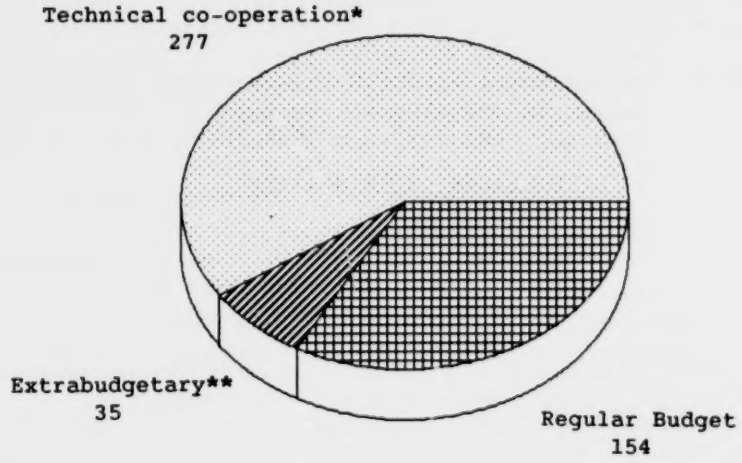
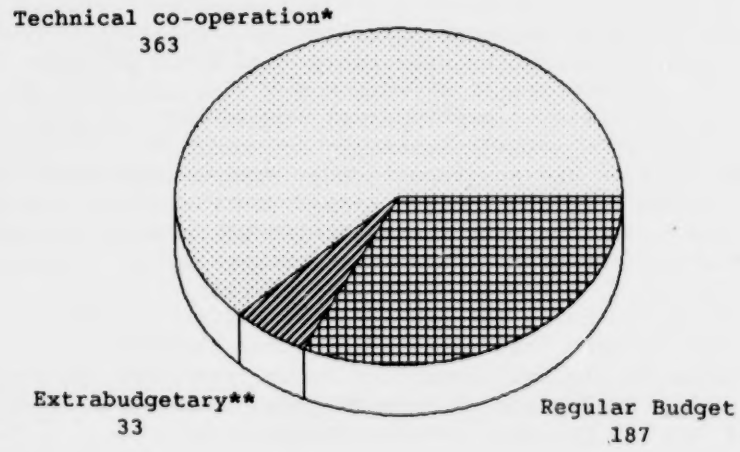


Chart 2B
Resources allocation by type of funding
1988-1989
(Millions of United States dollars)



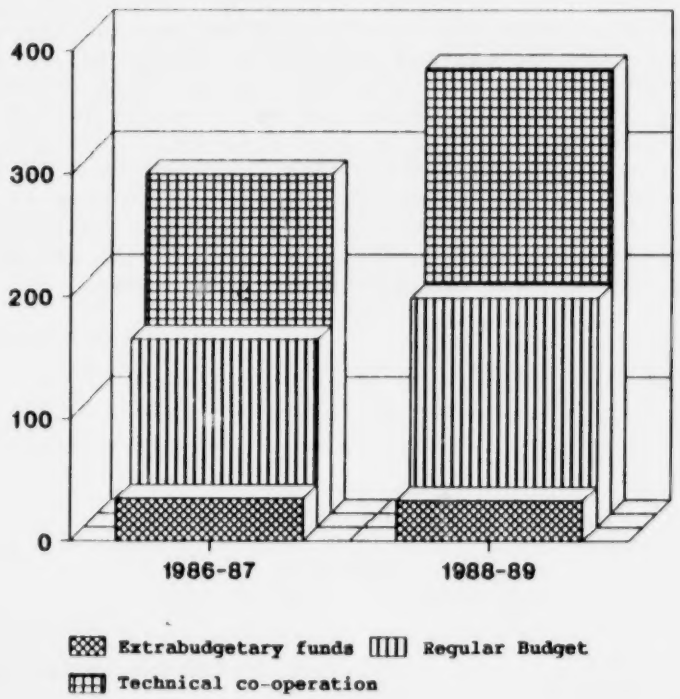
* Mostly UNDP projects.
** Resources supplementary to the Regular Budget.

101. Nearly $277 million during 1986-1987, and about $363 million during the next biennium were devoted to technical co-operation, with a total of approximately $640 million for the four years under review.

102. The growth of financial resources allocated to industrial development is shown in chart 3. Resources allocated to industrial development were growing at a rate of about 25 per cent. Programme budget resources grew at 21 per cent, and technical co-operation resources at 31 per cent. Table 3 indicates each organization's activities broken down by type and by source of funding.

103. UNIDO, ILO and FAO account for more than 97 per cent of the regular budget resources allocated by the specialized agencies to industrial development for 1986-1987 and about 98 per cent for 1988-1989. In the case of some of the specialized agencies, such as ILO, those figures, however, include a proportion of extrabudgetary technical co-operation expenditures which, owing to the characteristics of their programmes activities, were not readily identified. As would be expected, UNIDO is the largest contributor, with over $759 million or 72 per cent of the United Nations resources devoted to industrial development over the four years. The second largest contributor is FAO with $87 million or 8 per cent of the resources over the four years under review.

Chart 3
Growth of financial resources allocated to industrial development*
(Millions of United States dollars)



* Excluding World Bank Group.

Table 3. Expenditures of the United Nations system by organization and type of financing, 1986-1987 and 1988-1989

(Thousands of United States dollars)

Organization	1986-1987 Programme budget a/ RB	1986-1987 Programme budget a/ XB	1986-1987 Technical co-operation	1986-1987 Total	1988-1989 Programme budget a/ RB	1988-1989 Programme budget a/ XB	1988-1989 Technical co-operation	1988-1989 Total	Grand total 1986-1989
United Nations									
DIESA	2 302		-	2 302	1 781	-	-	1 781	4 083
CSTD	52	-	-	52	73	25	865	963	1 015
UNCTC	-	-	618	618	-	-	436	436	1 054
UNU	554	221	-	775	578	223	10	811	1 586
UNEP	380	2 530	-	2 910	400	2 500	-	2 900	5 810
UNCTAD	5 295	-	-	5 295	4 828	-	252	5 080	10 375
UNCHS	396	129	-	525	479	366	562	1 407	1 932
INSTRAW	-	-	59	59	-	-	178	178	237
UNDP b/	-	-	3 652	3 652	-	-	7 454	7 454	11 106
ECA	2 701	25	-	2 726	2 685	32	2 568	5 285	8 011
ECE	2 294	-	-	2 294	2 761	-	101	2 862	5 156
ECLAC	1 281	-	-	1 281	1 291	-	205	1 496	2 777
ESCWA	1 669	130	-	1 799	1 740	-	225	1 965	3 764
ESCAP	1 205	65	-	1 270	1 297	116	39	1 452	2 722
UNITED NATIONS c/	-	-	3 285	3 285	-	-	3 397	3 397	6 682
TOTAL	18 129	3 100	7 614	28 843	17 913	3 262	16 292	37 467	66 310
Specialized agencies									
UNIDO	109 600	32 000	197 300	338 900	137 000	30 200	253 600	420 800	759 700
ILO	13 568	61	25 361	38 990	15 312	-	28 371	43 683	82 673
WB/IFC d/	-	-	1 611	1 611	-	-	1 713	1 713	3 324
WIPO	2 953	-	917	3 870	3 003	-	1 001	4 004	7 874
FAO	10 000	5	27 382	37 387	13 503	29	35 981	49 513	86 900
UNESCO	-	-	289	289	-	-	301	301	590
IAEA	-	-	1 950	1 950	-	-	2 129	2 129	4 079
ITU	-	-	113	113	-	-	83	83	196
WTO	-	-	3 667	3 667	-	-	6 478	6 478	10 145
TOTAL	136 121	32 066	258 590	426 777	168 818	30 229	329 657	528 704	955 481
Other organizations e/									
ASDB	-	-	117	117	-	-	160	160	277
NGOs	-	-	745	745	-	-	2 887	2 887	3 632
Governments	-	-	9 677	9 677	-	-	13 695	13 695	23 372
TOTAL	-	-	10 539	10 539	-	-	16 742	16 742	27 281
GRAND TOTAL	154 250	35 166	276 743	466 159	186 731	33 491	362 691	582 913	1 049 072

a/ Including regular budget technical co-operation activities.

b/ Projects funded and executed by UNDP.

c/ Projects funded by UNDP.

d/ Projects co-financed with UNDP.

e/ As executing agencies.

/...

C. Activities of the United Nations system by organization and substantive areas

104. Tables 4, 5 and 6 indicate the contribution of organizations to specific areas of industrial development and the relative emphasis on different activities.

105. For the period from 1986 to 1989 (table 4), United Nations organizations devoted more than 40 per cent of total expenditures of $66 million on development of technologies, planning and policies and the environment. Other important areas are manufacturing (including manufacturing of food), trade, human resources and small-scale industries.

106. The largest amount of resources of the specialized agencies (tables 5 and 6) are devoted to human resources, manufacturing, development of technologies, industrial rehabilitation and planning and policies. The major contributors are UNIDO, FAO and ILO.

107. For the period as a whole, UNIDO resources represent over 79 per cent of total expenditures of the specialized agencies. The major categories for UNIDO are manufacturing, development of technology and planning and policies.

Table 4. Activities of the United Nations by organization and substantive area, 1986-1987 and 1988-1989

(Thousands of US dollars)

Substantive area	1986-1987					1988-1989					1986-1989
	United Nations a/	Programmes and funds b/	UNDP c/	Regional Commissions d/	Total	United Nations a/	Programmes and funds b/	UNDP c/	Regional Commissions d/	Total	Grand total
Mining	-	-	237	-	237	-	-	-	-	-	237
Manufacturing	22	4	12	2 557	2 595	14	39	855	2 713	3 621	6 216
Manufacture - food products and agricultural machinery	3 263	67	62	294	3 686	3 833	58	-	131	4 022	7 708
Utilities	-	-	-	-	-	-	12	39	101	152	152
Construction	-	425	-	-	425	-	1 302	-	264	1 566	1 991
Total	3 285	496	311	2 851	6 943	3 847	1 411	894	3 209	9 361	16 304
Health	-	-	-	-	-	-	62	50	-	112	112
Trade	790	471	-	339	1 600	297	475	80	257	1 109	2 709
Hotels and tourism industries	-	8	-	-	8	352	-	569	-	921	929
Repair and maintenance	-	-	80	-	80	-	-	-	-	-	80
Total	790	479	80	339	1 688	649	537	699	257	2 142	3 830
Human resources	395	1 227	-	-	1 622	128	1 852	31	353	2 364	3 986
Small-scale industries	-	322	510	211	1 043	25	-	2 484	350	2 859	3 902
Standard implementation-quality control	-	-	-	-	-	-	-	-	692	692	692
Engineering	-	-	-	872	872	-	-	37	2 777	2 814	3 686
Total	395	1 549	510	1 083	3 537	153	1 852	2 552	4 172	8 729	12 266
All	-	-	-	514	514	-	-	-	-	-	514
Development of technology	52	3 298	146	239	3 735	73	1 938	1 294	560	3 865	7 600
Industrial rehabilitation	4	108	579	-	691	-	37	405	269	711	1 402
Planning and policies	797	1 094	2 022	4 344	8 257	1 112	1 682	1 528	4 593	8 915	17 172
Finance	-	-	4	-	4	-	19	-	-	19	23
Environment	934	2 540	-	-	3 474	743	2 900	82	-	3 725	7 199
Total	1 787	7 040	2 751	5 097	16 675	1 928	6 576	3 309	5 422	17 235	33 910
Grand total	6 257	9 564	3 652	9 370	28 843	6 577	10 376	7 454	13 060	37 467	66 310

a/ Department of International Economic and Social Affairs, United Nations Centre on Transnational Corporations, Centre for Science and Technology for Development.

b/ United Nations Centre for Human Settlements, UNU, UNEP, UNCTAD, INSTRAW, ITC.

c/ Projects funded and executed by UNDP.

d/ ECA, ECE, ECLAC, ESCWA, ESCAP.

Table 5. Expenditures of the specialized agencies and other organizations by substantive area, 1986-1987

(Thousands of US dollars)

Area	Specialized agencies									Other organizations				GRAND TOTAL
	UNIDO	ILO	WB/IFC a/	WIPO	FAO	UNESCO	IAEA	ITU	WTO	TOTAL	ASDB	NGOS	GOVERNMENTS	TOTAL	
Mining	1 017	-	-	-	-	-	-	-	-	1 017	-	-	-	-	1 017
Manufacturing	49 021	1 099	144	16	2 232	-	-	-	-	52 512	3	194	2 506	2 703	55 215
Manufacture - food products and agricultural machinery	5 967	-	31	-	19 030	-	-	-	-	25 028	114	-	392	506	25 534
Utilities	6 081	19	400	-	447	-	-	-	-	6 947	-	-	46	46	6 993
Construction	3 516	267	-	-	65	-	-	-	130	3 978	-	-	394	394	4 372
Total	65 602	1 385	575	16	21 774	-	-	-	130	89 482	117	194	3 338	3 649	93 131
Health	52	2 495	-	-	-	-	-	-	13	2 560	-	-	-	-	2 560
Trade	1 644	-	-	56	43	-	-	-	-	1 743	-	-	-	-	1 743
Hotels and tourism industry	96	2 367	-	-	-	-	-	-	3 130	5 593	-	-	292	292	5 885
Transport	86	-	-	-	160	-	-	-	-	246	-	-	-	-	246
Repair and maintenance	8 453	163	-	-	-	-	-	113	-	8 729	-	-	42	42	8 771
Total	10 331	5 025	-	56	203	-	-	113	3 143	18 871	-	-	334	334	19 205
Human resources	28 309	18 980	-	800	5 008	-	68	-	223	53 388	-	115	86	201	53 589
Small-scale industries	14 466	2 990	-	-	672	-	-	-	-	18 128	-	221	71	292	18 420
Standard implementation quality control	6 079	1 348	-	-	485	-	-	-	171	8 083	-	-	909	909	8 992
Engineering	13 287	-	-	-	596	-	-	-	-	13 883	-	-	181	181	14 064
Total	62 141	23 318	-	800	6 761	-	68	-	394	93 482	-	336	1 247	1 583	95 065
All	16 710	-	-	-	-	-	-	-	-	16 710	-	-	-	-	16 710
Development of technology	67 973	542	-	1 178	1 165	-	966	-	-	71 824	-	-	2 108	2 108	73 932
Industrial rehabilitation	28 038	7 349	10	617	2 327	289	916	-	-	39 546	-	-	87	87	39 633
Planning and policies	66 173	1 371	933	1 203	2 361	-	-	-	-	72 041	-	215	2 527	2 742	74 783
Finance	20 134	-	84	-	1 000	-	-	-	-	21 218	-	-	-	-	21 218
Environment	1 798	-	9	-	1 796	-	-	-	-	3 603	-	-	36	36	3 639
Total	200 826	9 262	1 036	2 998	8 649	289	1 882	-	-	224 942	-	215	4 758	4 973	229 915
Grand total	338 900	38 990	1 611	3 870	37 387	289	1 950	113	3 667	426 777	117	745	9 677	10 539	437 316

a/ Projects funded/co-financed by UNDP.

Table 6. Expenditures of the specialized agencies and other organizations by substantive area, 1988-1989

(Thousands of US dollars)

Area	Specialized agencies and related organizations									Other organizations				GRAND TOTAL
	UNIDO	ILO	WB/IFC a/	WIPO	FAO	UNESCO	IAEA	ITU	WTO	TOTAL	ASDB	NGOS	GOVERNMENTS	TOTAL	
Mining	754	80	-	-	88	-	-	-	-	922	-	-	-	-	922
Manufacturing	59 947	2 611	254	-	6 800	-	-	83	-	69 695	-	349	239	588	70 283
Manufacture - food products and agricultural machinery	10 833	31	63	-	22 693	-	-	-	-	33 620	-	407	7	414	34 034
Utilities	7 015	14	453	-	540	-	-	-	-	8 022	-	-	-	-	8 022
Construction	2 141	441	-	-	-	-	-	-	-	2 582	-	-	1 324	1 324	3 906
Total	80 690	3 177	770	-	30 121	-	-	83	-	114 841	-	756	1 570	2 326	117 167
Health	473	2 834	-	-	113	-	-	-	28	3 448	-	-	42	42	3 490
Trade	329	291	-	-	-	-	-	-	-	620	-	-	-	0	620
Hotels and tourism industry	185	4 997	-	-	-	-	-	-	3 041	8 223	-	-	1 369	1 369	9 592
Transport	-	-	-	-	175	-	-	-	-	175	-	-	88	88	263
Repair and maintenance	2 952	-	-	-	-	-	-	-	-	2 952	-	-	-	0	2 952
Total	3 939	8 122	-	-	288	-	-	-	3 069	15 418	-	-	1 499	1 499	16 917
Human resources	37 773	18 032	7	1 046	10 483	-	98	-	-	67 439	-	631	1 990	2 621	70 060
Small-scale industries	17 229	2 441	-	-	491	-	-	-	-	20 161	160	405	10	575	20 736
Standard implementation quality control	13 198	1 856	-	-	619	-	16	-	-	15 689	-	-	466	466	16 155
Engineering	4 354	3 269	-	-	725	-	-	-	-	8 348	-	-	322	322	8 670
Total	72 554	25 598	7	1 046	12 318	-	114	-	-	111 637	160	1 036	2 788	3 984	115 621
All	21 578	-	-	-	-	-	-	-	-	21 578	-	-	-	-	21 578
Technical development	99 133	434	-	1 448	715	154	1 014	-	-	102 898	-	416	3 463	3 879	106 777
Industrial rehabilitation	39 448	-	24	325	1 366	-	1 001	-	318	42 482	-	300	2 017	2 317	44 799
Planning and policies	78 920	2 208	672	1 185	3 074	147	-	-	3 066	89 272	-	379	1 922	2 301	91 573
Finance	22 044	4 144	112	-	1 050	-	-	-	25	27 375	-	-	101	101	27 476
Environment	2 494	-	128	-	581	-	-	-	-	3 203	-	-	335	335	3 538
Total	263 617	6 786	936	2 958	6 786	301	2 015	-	3 409	286 808	-	1 095	7 838	8 933	295 741
Grand total	420 800	43 683	1 713	4 004	49 513	301	2 129	83	6£478	528 704	160	2 8P7	13 695	16 742	545 446

a/ Projects funded/co-financed with UNDP.

D. Means of action

108. Table 7 indicates the distribution of resources by means of action used by the United Nations system in delivering its activities for industrial development for the two biennia.

Table 7. Means of action for the industrial development activities of the United Nations system

(Thousands of US dollars)

Means of action	1986-1987 resources ($)	Percentage	1988-1989 resources ($)	Percentage
Meetings	26 068	6	29 189	5
Reports	16 983	4	21 852	4
Publications	16 630	4	18 195	3
Information dissemination	9 303	2	10 900	2
Development of statistics	6 601	1	8 900	1
Research	72 432	16	80 094	14
Training	100 442	22	113 837	19
Advisory services, pilot and demonstration plants	207 700	45	302 508	52
Total	466 159	100	582 913	100

109. United Nations organizations channelled the majority of their resources through various advisory services and pilot and demonstration projects as a part of technical co-operation activities. Considerable resources were also devoted to training, research and meetings, including reports prepared for those meetings. On industrial statistics, UNIDO, in collaboration with the United Nations Statistical Office, compiles, processes and disseminates internationally comparable statistics. That data base is disseminated through sales publications (for example, the Handbook of Industrial Statistics), 7/ sales tapes and diskettes. With respect to technical co-operation, UNIDO also develops and implements projects for improving and expanding the statistical infrastructure in developing countries (for example, the installation of PC software).

E. Operational projects and their distribution by region and the least developed countries

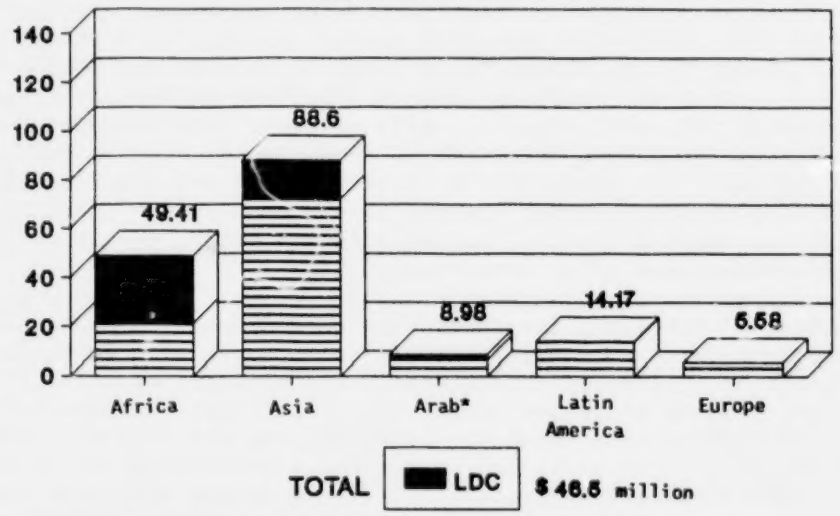
110. Charts 4a and 4b show the distribution of financial resources devoted to operational projects of the United Nations system by region and the proportion allocated to the least developed countries. Africa (excluding African Arab States), received $49 million in 1986-1987 and $70 million in 1988-1989. However, the proportion devoted to the African LDCs declined from 57 per cent in 1986-1987 to 43 per cent in 1988-1989. Asia received $88 million in 1986-1987 and considerably more in 1988-1989, that is, $125 million. The proportion of resources directed to the least developed countries is about 26 per cent in the period from 1986 to 1989. Further, the proportion declined from 28 per cent in 1986-1987 to 25 per cent in 1988-1989. The contribution to the Arab States (including African Arab States), Latin America and the Caribbean region and Europe is considerably smaller than in African and Asian countries.

111. In the biennium 1986-1987, financial resources devoted to the economic co-operation among developing countries/technical co-operation among developing countries amounted to a total of approximately $16 million, of which 28 per cent was funded by the regular programme budget and 72 per cent by technical co-operation. The approximate total for 1988-1989 was $24 million, with the regular programme budget and technical co-operation accounting for 25 per cent and 75 per cent, respectively, of the total. The total growth rate over the two biennia was 47 per cent, with technical co-operation funds growing at a rate of 52 per cent as against a growth rate of 34 per cent for the regular programme budget. Although the resources devoted to economic co-operation among developing countries/technical co-operation among developing countries have been growing, yet the share of regional projects and programmes is only 4 per cent of total expenditures on industrial development of the United Nations system for the period 1986-1989.

Chart 4A

Operational projects of the United Nations system with component on LDCs by region, 1986-1987

(Millions of US dollars)

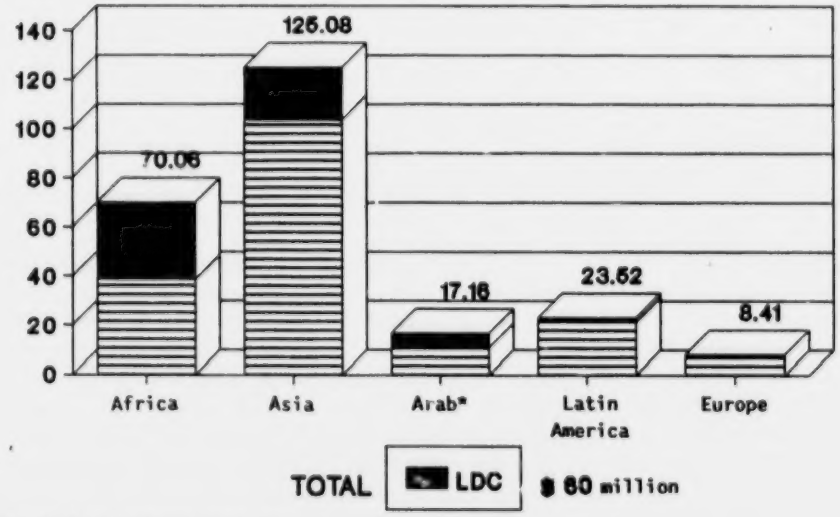


* Including African Arab States.

Chart 4B

Operational projects of the United Nations system with component on LDCs by region, 1988-1989

(Millions of US dollars)



* Including African Arab States.

F. Activities of the World Bank

112. The World Bank is responsible for the majority of multilateral resource assistance in the area of industrial development. Table 8 indicates that financial contribution of the World Bank Group, for industrial development, as broadly defined by the Bank, over the two biennia was $27.3 billion, whereas the total of all other United Nations organizations was slightly over $1 billion.

Table 8. Expenditures of the World Bank Group by biennium

(Millions of US dollars)

Organization	1986-1987	1988-1989	Total
IBRD	7 664	12 606	20 271
IDA	2 077	2 083	4 160
IFC	1 165	1 671	2 836
Total	10 906	16 360	27 267

113. Table 9 shows a breakdown of substantive areas ranked by allocation of financial resources of the United Nations organizations and the World Bank Group. It will be noted that United Nations organizations allocated a significantly higher share of its resources to planning and policies, and the development of technologies. That tendency reflects the importance that United Nations organizations accord to Governments' concern with long-term planning and formulation. That point underscores a major conclusion of the programme analysis, that is, that there is need for much greater awareness and co-ordination between United Nations organizations and the Bank.

114. It is well understood, however, that the nature and terms of the World Bank assistance differ significantly from the assistance provided by other parts of the United Nations system. The central difference of course, is that the Bank provides repayable loans with interest charges, while the assistance of United Nations organizations is contributed free-of-charge.

Table 9. Substantive areas ranked by financial resources: United Nations organizations and the World Bank Group

(Percentage of total resources)

	1986-1987				1988-1989			
	United Nations		WB		United Nations		WB	
	%	Rank	%	Rank	%	Rank	%	Rank
Mining	.3	11	1.4	8	.2	11	.7	8
Manufacturing	12.4	3	4.2	6	12.7	3	3.0	6
Manufacture of food products and agricultural machinery	6.3	5	6.1	4	6.5	5	5.3	5
Social/health	.5	10	.1	10	.6	9	*	10
Trade	.7	9	26.6	3	.3	10	20.5	3
Small-scale industries	4.2	7	4.6	5	4.0	7	6.4	4
Engineering	3.2	8	.1	10	2.0	8	.1	9
Development of technologies	16.7	2	2.5	7	19.0	1	1.8	7
Industrial rehabilitation	8.7	4	27.1	1	7.8	4	31.9	1
Planning and policies	17.8	1	.4	9	17.2	2	.1	9
Finance	4.6	6	26.8	2	5.4	6	30.1	2
Other areas	24.7		-		24.3		-	
	100		100		100		100	

* Less than 1 per cent.

115. As can be seen in chart 5, however, in the field of technical co-operation, the resources expended by both organizations are roughly comparable. United Nations technical co-operation projects are funded mainly by UNDP and the major executing agency is UNIDO. Those projects consist mostly of pre-investment projects, advisory services, pilot and demonstration plants, training, research and development of technologies. The World Bank technical assistance consists of hard technical assistance, such as engineering services for project design and construction, and soft technical assistance, such as expert services for institutional development and project-related training. In that regard, World Bank technical assistance is similar to United Nations technical co-operation. Chart 5 shows that United Nations technical co-operation is substantially higher than the soft technical assistance of the World Bank. That raises some questions on how the different types of technical assistance relate to each other and to countries' aims in industrial development.

116. Charts 6a and 6b show the distribution of World Bank loans by region, (with the proportion for the least developed countries). In that connection, the percentage of resources devoted to LDCs in Africa and Asia is proportionately lower than the share of resources directed to other developing countries.

Chart 5

Technical co-operation (United Nations) and Technical assistance (World Bank Group): 1986-1989

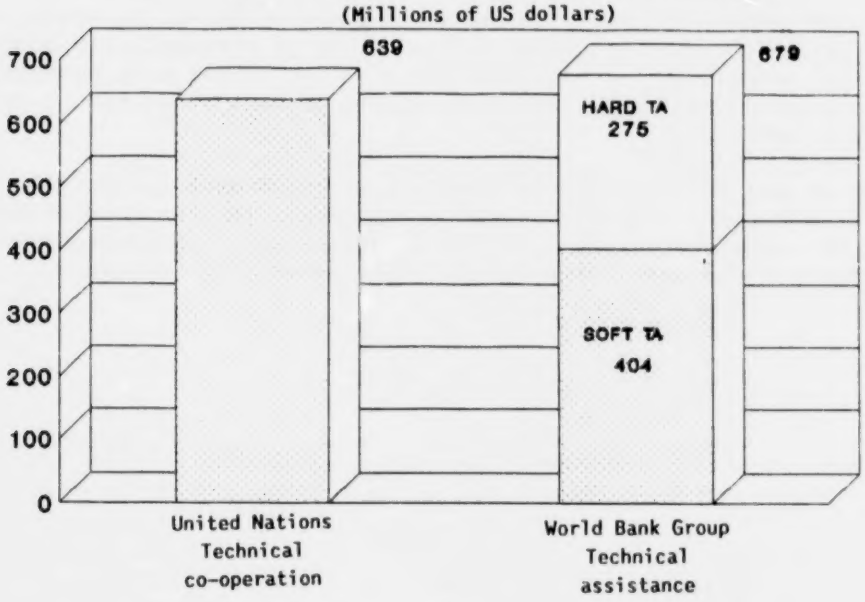
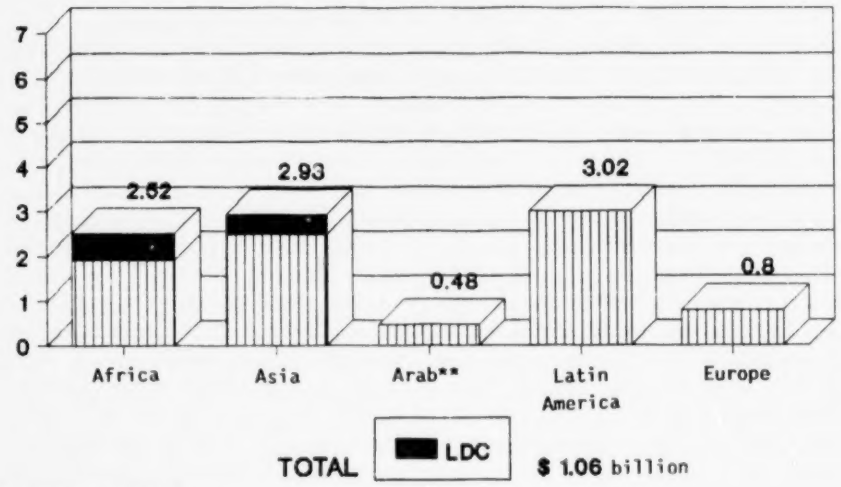


Chart 6A

World Bank loans by region with component on LDC*: 1986-1987

(Billions of US dollars)



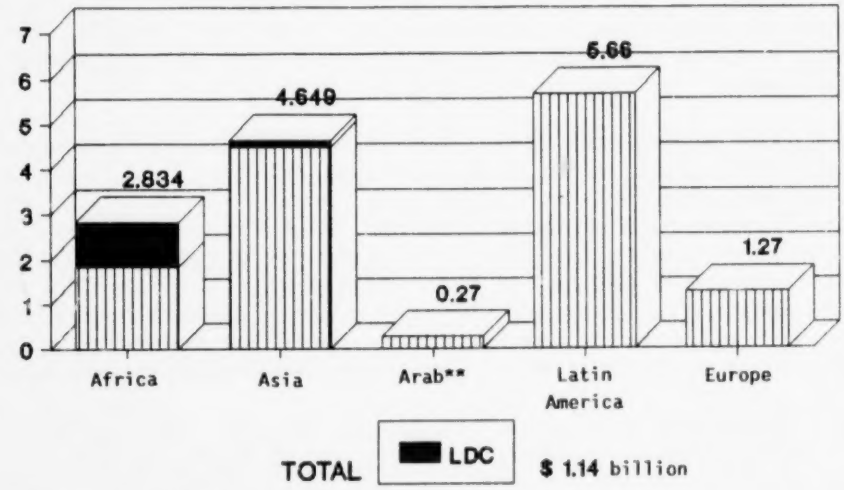
* IBRD and IDA loans.

** Including African Arab States.

Chart 6B

World Bank loans by region with component on LDC*: 1988-1989

(Billions of US dollars)



* IBRD and IDA loans.

** Including African Arab States.

G. Industrial development and women

117. The topic of women and industry was analysed in 1989 as a part of the cross-organizational programme analysis on the advancement of women (E/1989/19). The information assembled for that analysis has not changed significantly in the ensuing year and the overall conclusions of the previous report remain valid.

118. The previous cross-organizational programme analysis proposed, inter alia, that CPC and the Economic and Social Council may wish to recommend that closer attention be given to "the promotion of women's active participation in all aspects of industrial development". 8/ As pointed out in that analysis, while there is a sufficient amount of legislation dealing with this issue, the system's actual activities on women in industrial development are not very significant. The United Nations organizations spent about $3.5 million during 1988-1989 on the integration of women in industrial development, which is less than 1 per cent of total expenditures for industrial development for that period. UNIDO is the major contributor to this area, providing slightly more than $3 million in 1988-1989 or over 86 per cent of the total financing. This is not consistent with the fact that women are an increasingly significant part of the industrial labour force, particularly in the newly industrializing countries of Asia. ILO addresses the issues concerning women workers in all of its major programmes, for example, on labour standards concerning conditions of work, safety of health and employment questions in industry; management and vocational training; industrial relations; and social security. All of these pertain to women, as well as to men, in industry and industrial development.

119. Women make an important contribution to the process of industrialization. However, the majority of women and in many cases children, work in the modern industrial sector in low-skill, low-salary jobs. In the small-scale and informal production sector, their work, although indispensable, is mostly unrecorded. Women are also involved as industrial entrepreneurs in areas related to government administration, industrial research, quality control and marketing. Lack of adequate training opportunities in production and management skills, however, continues to be a serious obstacle to their participation at full potential in most developing countries.

120. According to the system-wide medium-term plan for women and development for the period from 1990 to 1995, major organizational entities participating in the implementation of the subprogramme "industry and women" are UNIDO, UNIFEM, ESCAP, ECA, ESCWA, UNEP. Supporting organizations include the Department of International, Economic and Social Affairs, Centre for Science and Technology for Development, United Nations Centre for Human Settlements, UNCTAD, ILO and FAO. This system-wide medium-term plan and the 1989 cross-organizational programme analysis on women should provide adequate instruments for measuring progress in this essential area of industrial development over the next six years.

H. Financing of industrial development activities by the United Nations system

1. UNDP financing of industrial development activities within the United Nations system

121. Table 10 provides an illustration of the funds allocated by UNDP for industrial development activities within the United Nations system for the period from 1986 to 1989. Total financing amounted to $345 million.

122. The information shows that the specialized agencies and the World Bank received the bulk of UNDP resources, utilizing 93 per cent of the total during this period. The regional commissions and other United Nations bodies accounted for 4 per cent and the remaining 3 per cent was utilized by UNDP in self-executed projects.

Table 10. UNDP financing of industrial development activities within the United Nations system, a/ by major groups, 1986-1989

(Thousands of US dollars)

Organization	Major groups I	II	III	IV	Total
UNDP	1 305	779	3 062	6 060	11 106
Regional commissions b/	404	-	2 528	206	3 138
Other United Nations bodies c/	6 818	1 382	749	546	9 495
Specialized agencies d/	97 035	23 882	62 101	138 906	321 924
Grand total	105 570	26 113	68 230	145 129	345 663

a/ See paras. 89-92.

b/ ECA, ECE, ECLAC, ESCWA, ESCAP.

c/ United Nations, United Nations Centre for Transnational Corporations, United Nations Conference of Trade and Development, United Nations Centre for Human Settlements.

d/ ILO, UNIDO, UNESCO, FAO, IAEA, ITU, WIPO, WTO, WB/IFC.

123. The largest amount of UNDP resources (42 per cent) channelled through the United Nations system was directed to activities in Group IV (as set out at the beginning of the present chapter). Group I was next with 30 per cent, followed by Group III with 20 per cent. The smallest amount of funding went into activities in Group II, which received only 8 per cent.

124. UNDP channels the bulk of its resources to industrial development activities of UNIDO, ILO, and FAO, as well as WTO and IAEA. The World Bank received about 1 per cent of UNDP funds for technical assistance activities on industrial development during 1986-1989.

2. Financing of activities by the Industrial Development Fund of UNIDO (1986-1989)

125. Table 11 provides a breakdown of IDF funding for activities in the area of industrial development. As information was available only for the period 1986-1988, an estimate was made for resources allocated in 1989. Most of the resources (42 per cent) were provided for activities in Group IV and the least amount (22 per cent) for Group III. Group I received 35 per cent of all resources.

126. Total funding almost doubled over the four-year period. Although it increased steadily over that period, it did so at a decreasing rate.

Table 11. Financing by the Industrial Development Fund of UNIDO 1986-1989

(Thousands of US dollars)

	I a/	III a/	IV a/	Total
1986	4 249	1 446	7 486	13 181
1987	6 189	5 460	4 961	16 610
1988	7 163	4 108	8 578	19 849
1989 (est.)	8 000	5 000	9 500	22 500
Grand total	25 601	16 014	30 525	72 140

a/ See paras. 89-92; no funds for Group II were identified.

Conclusions

127. Resources carried out by the United Nations on industrial development activities are relatively modest, about $1 billion over four years. Those resources, however, grew at a nominal rate of 25 per cent during the period under review (1988-1989 over 1986-1987).

128. The World Bank Group accounted for over $27 billion during that period and showed substantial growth over the two biennia. Moreover, the Bank's activities often differ both in content and conditions from those of other parts of the system. Although both seek to promote the growth of industrial development, they go about it in different ways and on a vastly different scale.

129. While the geographic distribution of World Bank loans and United Nations operational projects show similar proportions, the World Bank channels a considerably higher amount of resources, through loans, to the Latin American region. By contrast, United Nations expenditures on operational projects for the Arab region increased in 1988-1989, while World Bank loans for the same region and period decreased.

130. In technical assistance activities, the United Nations and the Bank show much greater parity. The purpose and results of those pre-investment activities differ, reflecting the different roles of the two sets of organizations.

131. The most important areas of United Nations organizations are development of technologies, planning and policies, human resources, industrial rehabilitation, and manufacturing including manufacturing of food. The fact that the activities of the United Nations in planning and policies are substantially higher than those of the Bank and are carried out often in the same countries with major Bank projects, raises an important point on co-ordination between the two groups.

132. The analysis reveals, as would be expected, that the major programme is carried out by UNIDO. Other major organizations carrying activities on industrial development are ILO, FAO, UNCTAD, WTO, UNDP, ECA.

133. The LDCs receive a substantially lower share both of technical assistance and loans compared with the other developing countries.

134. Resources channelled through operational projects involving ECDC/TCDC are relatively very low, approximately 4 per cent of total expenditures on industrial development.

135. Financial resources devoted by the United Nations system to the integration of women into industrial development are low, especially in comparison to the potential contribution of women in this area. Progress on this disparity can be monitored through the system-wide medium-term plan 1990-1995 on women and development utilizing the 1989 cross-organizational programme analysis on the advancement of women as baseline reference.

I. System of consultations

136. The System of Consultations was established by UNIDO as a result of a recommendation of its Second General Conference, held at Lima, Peru, in March 1975. It provides an opportunity to bring together Governments, industry and labour from North and South to exchange information and experiences and to foster co-operation regarding particular areas of industry with a view to promoting the industrialization of developing countries.

137. Six consultation meetings are organized during the course of every biennum. Preparatory activities include the preparation of technical studies and the organization of expert group meetings. Follow-up activities are undertaken pursuant to the recommendations of individual consultations and, for each consultation, a follow-up plan of action for technical co-operation activities is prepared by the UNIDO secretariat. To date, 39 consultations have been held covering the promotion of a wide range of industrial products from oils and fats, leather and fertilizers to agricultural machinery, electronics and capital goods.

VI. INDUSTRIAL DEVELOPMENT AND THE ENVIRONMENT

A. Agency policies

138. There seems to be a general consensus among the main agencies that the issue of environment in relation to industrial development demands ever increasing attention. Differences arise, however, with regard to the urgency of that attention. Most agencies have only recently introduced such policies/programmes in response to continuing pressures on environmental issues.

139. UNIDO submitted its environment programme to the Third General Conference in November 1989, and it was endorsed in resolution 16 of 23 November 1989. Although for some years UNIDO has been concerned with environmental safety, the new programme would broadly support sustainable industrial development, technical assistance for more effective technical co-operation in this field by promoting clean technologies; environment-related rehabilitation and upgrading of existing industry; and introduction of environmental impact assessment in industrial projects. At this stage, however, the mandate has not yet been put into operational terms in any significant sense.

140. The United Nations Centre on Transnational Corporations aims towards sustainable development, and identifies three options for firms responding to environmental problems: (a) a pro-active strategy; (b) mitigation strategy; (c) a State leadership strategy.

141. The Centre elaborated, for consideration by the Commission on Transnational Corporations at its session in April 1990, a set of "Criteria for sustainable development management" (E/C.10/1990/10, annex) to strengthen the participation of large industrial enterprises in efforts for environmental preservation and protection.

142. The World Bank seems to be one of the few agencies that actually has an extensive and operational environmental policy. From its operational directives, which contains guidelines on environmental assessment procedures, and from specific country examples it can be seen that the Bank implements a strong and decisive "hands on" approach to environment and industrial development, including issues of national laws and regulations.

143. Other agencies that have environmental policies relating to industrial development are:

(a) UNEP, which formulates and promotes policies for sustainable industrial development, through technical guides, technical co-operation, training and information transfer. UNEP policy states that they aim to bring together industry, Governments, and non-governmental organizations to work towards environmentally sound forms of industrial development;

(b) UNESCO, which does not have a direct policy, but acts through international scientific co-operation programmes which deal with research into natural resources;

(c) The stated policy of UNDP is to support actions that lead to making existing and new technologies more environmentally sound. The approach of UNDP to an integrated view of development and environment includes the implementation of strategies which reflect the priorities of countries at the national, regional and global levels. UNDP considers the concept of sustainable development sponsored by the report of the World Commission on Environment and Development to reflect operationally the conditions and priorities of developing countries. Further, UNDP, the World Bank and UNEP are in the process of negotiating and launching a Global Environmental Facility by the end of 1990 in order to provide additional concessional funding to both middle- and lower-income countries concerned with environmentally sound development. The Action Committee of UNDP approved a total of 109 environmentally relevant projects in 1989 with a total cost of $US 174.8 million, a 22.8 per cent of total value of products. UNDP will focus on contributing especially to the issues concerned with integrating development and environment, strengthening the technical and scientific human resources required to manage effectively the use of natural resources and environmental technologies, transfer of known technology and required research and development, and financing environmental aspects of development;

(d) ESCWA does not appear to have a comprehensive environmental policy, but includes in its industrial development programme direct reference to the control and management of industrial pollution. The aim is to continue such assessment in future plans;

(e) ECLAC recognizes management and co-operation as key aspects of harmonization between industry and natural resources, and also views public intervention as crucial;

(f) ECE states that environmental consequences of industrial activity are an area of special attention, and it addresses the problem of how much importance Governments and industry attach to sustainable development. It recently convened an international workshop on the Economics of Sustainable Development;

(g) FAO is concerned with harmonization between available resources and food production objectives on a sustainable and secure basis;

(h) The ILO concentrates its attention on the potential impact of environmental problems and policies upon the world of work, that is, employment, poverty and development, the working environment, human resources development and industrial relations. Particular emphasis is being given to three areas of action. First, to promoting a more active role in environmental policy design and implementation by the tripartite constituents of ILO: ministries of labour and employment, employers' and workers' organizations. Second, use of the standard-setting machinery of ILO as a means of influencing national policy and practices. Third, the integration of environmental considerations within all programmes and policies, especially technical co-operation activities;

(i) IMO focuses on the need to protect and preserve the marine environment from pollution from ships;

(j) UNU is involved with researching the environmental implications of energy use and appropriate technological responses.

Conclusions

144. While most relevant organizations have some activities dealing with the relation of industrial development to the environment and others, including UNIDO, have fairly well developed policies on this issue, only the World Bank seems to have moved to the stage of implementing policies in its main-line programming and project approval process. The urgency of environmental concerns and the complexity of the relationship between industrial development goals and the environment need to be given greater emphasis in research and operational policies between United Nations organizations and with both developing and industrialized countries.

145. In view of the important relationship between industrial development and the environment, and the fundamental need to maintain industrial growth in developing countries, it is necessary for the United Nations organizations involved to work out practical measures in this area that take both concerns into account. Given the central co-ordinating role of the United Nations Industrial Development Organization in the field of industrial development and the central role of the UNEP in environmental issues, it would be beneficial for those organizations, working together with the World Bank and other United Nations organizations, to promote the adoption of effective policies and programme directives on this matter, particularly at the individual country level.

B. Forward-looking analysis

146. As decided by CPC, this final cross-organizational analysis should also serve a transitional function between the traditional analyses of the past and the new forward-looking thematic analyses called for under Economic and Social Council resolution 1988/77. In view of the high priority given by Governments to the problems associated with continued socio-economic development and the environment, and given the decision to hold a global conference on this question in 1992, it was felt that attention should be given in this section to the critically important issue of industrial development and the environment.

147. As with industrial development itself, the environmental issue is very complex and varies from country to country. Many important issues are at stake and they are not always mutually complementary. In the simplest terms it can be posed as growth versus environmental protection; or growth which is environmentally sound and sustainable. The differences between those concepts and the related economic, social and environmental implications need to be well understood if rational decisions are to be taken, both at the national level and in a global context.

148. This understanding will undoubtedly be advanced in the course of preparations for the United Nations Conference on the Environment and Development, to be held in Brazil in 1992. In that context, as well as in their ongoing work to promote industrial development, United Nations organizations can make an important

contribution by helping: (a) to define the many different issues that arise in the interface between industrial growth and the environment; (b) to analyse in understandable, policy-oriented terms the implications of decisions leading in one direction or the other, and (c) to find ways to achieve sustainable industrial growth that is compatible with long-term environment goals.

149. Urgent attention is needed on this set of issues now. While preparations for the 1992 Conference are under way, important choices and investment decisions on technologies, capital investments and production processes are being made and will continue to be made, as will legal, fiscal and financial judgements, which will affect both industrial growth and its relationship to the environment. United Nations organizations often make an input to these decisions, directly or indirectly and it is here at the sectoral level that they are likely to have the greatest impact on choices affecting both industrial growth and long-term environmental conditions. An opportunity for advancing the thinking on this of the United Nations systems in a co-ordinative way may lie in the provisional decision of the Economic and Social Council to undertake a thematic analysis in this area in the near future.

150. In this context, important policy-oriented and technical research is being carried out in many parts of the world by both environmentalists and those primarily concerned with development including industrial development, in third-world countries. A number of useful concepts have been developed in this process, which should be taken into account, both in individual decisions and in the formulation of national and global recommendations in this area. These include such interesting ideas as:

(a) The earning of environmental tax or monetary credits, which can be traded or sold by firms and other entities within a regional context to promote a desirable level of environmental protection in a given geographical area;

(b) Global bargaining on environmental cum development decisions, including the question of geographic trade-offs and of meeting additional costs resulting from greater environmental protection;

(c) More comprehensive systems of national and international socio-economic accounting, which include long-term environmental considerations that can be factored into cost-benefit and present value calculations by private investors and major international lending organizations;

(d) Easing trade barriers and market access to labour-intensive manufacturers by developing countries to reduce their reliance on raw material and natural resource exploitation;

(e) Viewing extraction, production, distribution and disposal processes as parts of a metabolic system where outputs or wastes of one process become inputs to another.

VII. CO-ORDINATION

A. Introduction

151. Co-operative arrangements serve to establish a legal framework and to provide a mechanism for co-ordination of industrial development activities. In this section, those arrangements will be examined. The central co-ordinating role of UNIDO, the formal arrangements the agency has concluded with other organizations within the United Nations system, and its co-operation with intergovernmental and governmental organizations is also examined.

B. Evolution of the role of the United Nations Industrial Development Organization

152. The General Assembly, in its founding resolution for UNIDO (resolution 2152 (XXI) of 17 November 1966), made it clear that the organization "shall play the central role in and be responsible for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development". That responsibility was assumed by UNIDO in July 1967, the same year that UNIDO became a participating and executing agency of the United Nations Development Programme (UNDP).

153. In an effort to carry out effectively its central co-ordinating role, and in order to eliminate duplication of activities, UNIDO established formal co-operative arrangements with other agencies also involved in industrial development activities, as well as with the regional commissions and certain intergovernmental and non-governmental organizations.

C. Formal co-ordinative measures from 1986 to the present

154. The same central co-ordinating role was reiterated in the constitution of UNIDO, adopted in 1986 after it had been given specialized agency status. Legally this nullified the existing agreements and it has been necessary to work out new agreements with each co-operating organization. To date, UNIDO has concluded new relationship agreements with IFAD, ILO, UNESCO, WHO and IAEA. 9/ An agreement with FAO and a memorandum of understanding with the International Trade Centre (ITC) are beng prepared. Efforts to increase the effectiveness of those new relationship agreements are under way. For example, in implementing the agreement concluded with ILO, negotiations are taking place for finalizing a working arrangement that will further stipulate and define the areas of co-operation between ILO and UNIDO. At the regional level, UNIDO has maintained close co-operation with the regional commissions through the Joint Industry Divisions, which were established with each regional commission for the co-ordination of industrial development activities. Working arrangements have also been established with the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP) and are currently under consideration with ECE. It should be noted, however, that no new relationship agreement has been worked out with the World Bank.

D. Inter-agency consultations

155. While these relationship agreements and working arrangements serve as the legal basis for co-operation, other forms of collaboration enhance inter-agency co-ordination. Examples of such collaboration include the FAO/UNIDO joint technical working groups on the development of agricultural machinery and on fisheries industries; the UNIDO/FAO/World Bank Group on Fertilizers, which concentrates on fertilizer statistics and prospects of fertilizer production; contacts with the IMO for the development of water-borne transport and the introduction of safety regulations for transport cargo and fishing vessels; and consultations with UNCTAD on transportation technology issues. UNIDO also maintains close links with the United Nations Statistical Office in order to determine the organization's requirements for general indicators of industrial activity and structure. There are also a number of other joint programming and project formulation missions, which are organized on an ad hoc basis by organizations in the United Nations system. Those activities help to avoid unnecessary duplication and the consequent waste of resources.

E. Multilateral co-ordination

156. At the multilateral policy-making level, the United Nations General Assembly, the Economic and Social Council, the Administrative Committee on Co-ordination (ACC), the Committee for Programme and Co-ordination (CPC), as well as the governing bodies of the specialized agencies, provide the necessary forums for policy prescription on industrial development-related issues contained in the medium-term plans and programme budgets of the organizations of the system.

157. At the operational level, UNDP is the principal multilateral source of technical assistance, including industrial development. The management and co-ordination of this assistance at the country level is exercised through its 113 field offices. At the same time, the UNDP Country Programming process serves as a frame of reference for activities carried out and financed by the organizations of the United Nations system from their own resources. While the country programme is a means for the efficient utilization of resources, it is based on individual national development plans or, where these do not exist, on national development priorities and objecives which are formulated exclusively by the Governments involved. Another planning mechanism is the National Technical Co-operation Assessment Programmes (NATCAPs) which stress the importance of self-reliance in human and institutional capability for socio-economic development. NATCAPs provide a framework for co-ordination of technical co-operation programmes from all donor sources.

158. At the national level, the United Nations Co-ordinator is the central point for overall responsibility for and co-ordination of operational activities for development, including industrial development. These tasks are carried out in conformity with priorities established by national authorities and where appropriate, with the assistance of joint inter-agency advisory groups.

F. Co-operation with intergovernmental organizations

159. Relationship agreements have been concluded by a number of United Nations bodies with intergovernmental organizations outside the United Nations system. For example, as of 1 September 1989, UNIDO had concluded 15 relationship agreements with intergovernmental organizations, including, for example, the African Development Bank, the Arab Industrial Development Organization and the Asian and Pacific Coconut Community. Another 21 agreements were in the process of being concluded. 9/ Those agreements provide reciprocal representation in the governing bodies of the respective organizations, the exchange of information and documents and the definition of specific areas of co-operation, thus providing the legal instrument for elaborating joint activities. In the case of UNIDO, regular visits take place between high-level officials from intergovernmental organizations and UNIDO staff to follow up on the implementation of the agreements.

G. Bilateral agreements

160. Agreements, including memoranda of understanding, have also been concluded with a number of Governments or governmental agencies. In most instances, those agreements cover specific areas of co-operation for the benefit of developing countries. Co-ordination has been further enhanced at this level by the establishment of 63 National Committees for UNIDO in all regions of the world. Regional-level meetings of the National Committees are held periodically to strengthen co-operation and co-ordination through an exchange of experience among the National Committees in each region.

H. Co-operation with non-governmental bodies

161. To aid in establishing institutional mechanisms for co-operation and to promote UNIDO interests and activities, 81 international non-governmental organizations have been granted consultative status with UNIDO.

I. Inter-agency co-ordination at the operational level

162. Not surprisingly, UNIDO formed the most extensive co-operative links in its operational activities with 55 of its projects involving collaboration with 29 other organizations and agencies. Numerous informal arrangements, in addition to those of UNIDO, have been established between other United Nations organizations, providing an elaborate network through which joint co-operative and co-ordinated activities in industrial development are carried out at the operational level. Eleven organizations and agencies provided information on collaboration with other parts of the United Nations system on related programmes and activities during the 1986-1987 and 1988-1989 biennia. 10/

J. Collaboration with the World Bank

163. Other chapters in the present report clearly show the World Bank's dominant role among multilateral organizations in industrial development. However, the information available suggests that co-ordinative machinery is insufficient to ensure effective collaboration between the World Bank and the rest of the system. The Bank's Co-operative Programmes, which were established to enhance technical co-operation, have been mostly phased out, including the Co-operative Programme with UNIDO, which was terminated in 1987. Exceptions to this trend are the Co-operative Programme with FAO and the continuing arrangements with ILO. Active collaboration between the Bank and those agencies have continued.

Conclusions

164. UNIDO is continuing efforts to achieve an effective mechanism and solid legal framework for industrial development activities. Its relationship agreements and working arrangements with other specialized agencies involved in this area are close to being fully re-established. Those agreements also contain provisions for reinstating co-ordinative mechanisms, such as the inter-agency committees, meetings and joint working groups that were in operation prior to the conversion of UNIDO to a specialized agency. Those mechanisms should substantially strengthen inter-agency co-ordination as they enable the reviewing of ongoing and planned joint activities and the formulation of proposals on policy issues for the attention of the executive heads of both organizations. Their re-creation should therefore be considered.

165. This would hold particularly for co-ordinative arrangements with the World Bank. Evidently there was some dissatisfaction with the practical results of the previous arrangement, but that need not lead to a permanent termination. It would clearly be in the interest of both UNIDO and the countries with which it works to be kept up to date with the Bank's policies, plans and projects in the countries involved. At same time, it may be beneficial for the Bank and its clients to be able to draw more easily upon the expertise and long-term established structure of UNIDO and other United Nations organizations with significant operators in this field.

166. Recently there has been an increasing policy dialogue at the senior level and some collaboration on individual country projects. But those exchanges should focus more systematically on how inputs in respective spheres of competence could be utilized most effectively. For example, in the industrial rehabilitation programmes in Africa, the sector studies of UNIDO, its training facilities and the COMFAR system could be useful in Bank country reports and programmes.

167. Given its dual responsibilities in this field, first as the primary United Nations organization for the promotion of industrial development in developing countries, and secondly under its constitutional mandate to play a central role in co-ordinating all activities of the United Nations system in the field of industrial development, it would seem appropriate to re-establish an effective liaison function with the World Bank. Assuming that a satisfactory agreement could

be worked out between those key organizations, this need not involve substantial additional expenditures.

168. In addition, opportunities exist for strengthening co-ordinative links and information exchange in the area of technical co-operation. As UNDP provides funds for pre-investment purposes, both to the World Bank and to other United Nations system organizations, including UNIDO, it should consider establishing a mechanism through which both groups of organizations are kept informed of relevant project developments to be executed within its country-programme framework.

169. Finally, given the importance of global environmental protection and the need for promoting environmental concerns, the establishment of a formal co-ordinative link between UNIDO and UNEP should be considered. That would enable both organizations to deal more effectively with problems relating to the adverse environmental impact of industrialization, especially in developing countries.

Notes

1/ "United Nations organizations" is used to distinguish those organizations from the World Bank Group, which is also part of the United Nations system.

2/ See especially World Development Report, 1987, which features the role of industrialization in the world economy.

3/ See non-symbol background paper on legislation and co-ordination.

4/ See in this connection "The application of a programme approach to technical assistance project identification and formulation" (non-symbol).

5/ See "UNIDO's progamme of direct support to industry under Trust Fund arrangements" (non-symbol).

6/ ITC, ECE, ESCAP, UNESCO, IAFA, ITU, WTO and the Asian Development Bank.

7/ United Nations publication, Sales No. E.88.III.E.5.

8/ E/1989/19, para. 117 (b).

9/ This information is available in tabular form in the background paper on legislation and co-ordination (non-symbol).

10/ FAO, ILO, UNCTAD, UNIDO, UNEP, ECA, ESCWA, ECLAC, INSTRAW, Centre for Science and Technology for Development and United Nations Centre for Human Settlements.

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7 May-8 June 1990
Item 4 (d) of the provisional agenda*

PROGRAMME QUESTIONS: EVALUATION

Evaluation of the programme on the protection of and assistance to refugees

Note by the Secretary-General

1. At its twenty-ninth session, the Committee for Programme and Co-ordination "recommended that the in-depth evaluation to be scheduled for its consideration in 1993 would be for the programme on international protection of and assistance to refugees". 1/ The General Assembly endorsed this recommendation in section IV, paragraph 1, of its resolution 44/194 of 21 December 1989. A progress report on the evaluation is to be submitted to the Committee in 1991.

2. Chapter 8 of the medium-term plan for the period 1984-1989, which deals with international protection of and assistance to refugees, consists of the activities of both the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In view of the size and complexity of the two organizations, and taking into account recent developments, the Secretary-General considers that the focus of the progress report and the subsequent in-depth evaluation should be on UNHCR.

Notes

1/ Official Records of the General Assembly, Forty-fourth Session, Supplement No. 16 (A/44/16), para. 318.

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* E/AC.51/1990/1.

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CROSS-ORGANIZATIONAL PROGRAMME ANALYSES

Report on the follow-up to the cross-organizational programme analysis of the activities of the United Nations system on economic and social research and policy analysis

SUMMARY

The follow-up to the cross-organizational programme analysis on economic and social research and policy analysis in the United Nations system (E/1988/47) was considered by the Committee for Programme and Co-ordination at its twenty-eighth session. The Committee then decided that a more comprehensive report, including, inter alia, an assessment of the measures implemented as well as relevant developments in this field, should be reported to the Committee at its thirtieth session.

Recent developments in this field are reviewed in the present report. Particular attention is given to measures taken to improve linkages among Secretariat units involved in economic and social research, including procedures initiated under the aegis of the Office of the Director-General for Development and International Economic Co-operation and in conjunction with meetings of intergovernmental bodies. The report also presents an account of steps taken to enhance co-operation among autonomous research bodies of the United Nations and their interfacing with concerned Secretariat entities.

* E/AC.51/1990/1.

I. INTRODUCTION

1. The Committee for Programme and Co-ordination (CPC) considered at its twenty-eighth session the note of the Secretary-General on the follow-up to the cross-organizational programme analysis on economic and social research and policy analysis in the United Nations system (E/1988/47). The Committee commended the basic framework and approach of the report, which covered the initial steps to implement the Committee's recommendations, in particular the multidisciplinary approach to economic and social research carried out in the United Nations, and considered that it could be used as a model for future follow-up reports. The Committee, while agreeing that the report contained much useful information, nevertheless considered that it was in general vague regarding action that had been taken. The Secretariat was therefore requested to prepare, for consideration by the Committee at its thirtieth session, a more comprehensive report that should include, inter alia, an assessment of the measures implemented, as well as all relevant developments in this field. The Committee requested, in particular, more information on relationships between Secretariat units of organizations of the United Nations system engaged in economic and social research and policy analysis.

2. In compliance with the Committee's request, which was endorsed by the Economic and Social Council in its resolution 1988/62 of 27 July 1988 on the report of the twenty-eighth session of CPC, the Secretary-General presents herewith a new report reflecting all relevant developments in this field between the period of consideration of the cross-organizational programme analysis on economic and social research and policy analysis in the United Nations by the Committee at its twenty-sixth session in 1986 and the end of the biennium 1988/1989.

3. The present report focuses primarily on measures taken and procedures initiated to improve linkages between Secretariat units and organizations of the United Nations system engaged in economic and social research and policy analysis, in accordance with the desired emphasis called for by CPC in its recommendation. The Committee may wish to note that the Economic and Social Council will consider at its second regular session of 1990 a report of the Secretary-General on the main research findings of the system in major economic and social trends, policies and emerging issues.

II. ACTION TAKEN WITHIN THE SECRETARIAT

4. Measures to improve the relationships between Secretariat units and organizations of the United Nations system engaged in economic and social research and policy analysis have been taken at different levels. Within the context of General Assembly resolution 32/197 of 20 December 1977, the Director-General provides overall direction to the Secretariat units working in the economic and social fields. In undertaking that task, he chairs biannually meetings of senior officials of the Secretariat concerned with economic and social questions. Those officials include the heads of the Department of International Economic and Social Affairs, the Department of Technical Co-operation for Development, the United Nations Centre on Transnational Corporations, the Centre for Science and Technology

for Development, the Office of the United Nations Disaster Relief Co-ordinator, the Office of the United Nations High Commissioner for Refugees, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Office at Vienna, the United Nations Centre for Human Settlements, the United Nations Environment Programme, the United Nations Development Programme, the United Nations Population Fund, the United Nations Institute for Training and Research, the United Nations University, the World Food Council and the executive secretaries of the regional commissions, who hold an annual meeting, which is chaired by the Director-General with participation by representatives of the Department of International Economic and Social Affairs, the Department of Technical Co-operation for Development and UNCTAD. Both of those meetings provide opportunities for discussions at the highest level to review work programmes in the light of the priority concerns of intergovernmental bodies, in order to avoid overlap and to ensure greater complementarity in the planning and implementation of substantive analytical inputs in economic and social research.

5. Detailed consultations are taking place among individual entities concerned with a view to strengthening co-operation in their analytical work on the world economy and the development of data bases for that purpose. In this connection, regular meetings, in conjunction with meetings of the Economic and Social Council, the Committee for Development Planning and Project Link, bring together representatives of the Department of International Economic and Social Affairs, UNCTAD and the regional commissions for intensive consultations towards the preparation of their respective surveys and reports in the economic and social fields falling within the purview of their mandates. Those meetings have been particularly useful in the preparation of reports, since they enable the Secretariat to define more clearly the issues to be covered in those reports and to maximize the use of the limited resources available for that purpose. In addition, the ACC Task Force on Long-Term Development Objectives has increasingly provided an institutional framework to ensure a co-ordinated system-wide approach to a number of exercises in policy research, modelling and forecasting carried out in the Secretariat. The Task Force has thus played an important role in bringing about coherence to research work on long-term development objectives undertaken by different agencies and in providing a forum for achieving more effective co-ordination of the various analytical instruments available within the United Nations system.

6. As a means of carrying out closer co-operation among Secretariat units, several agreements and memoranda of understanding have been concluded between them. To date, agreements/memoranda of understanding have, for example, been signed between the Department of International Economic and Social Affairs and each of the regional commissions. Similar arrangements have also been worked out between the Department of International Economic and Social Affairs and bodies such as the Department of Technical Co-operation for Development, UNCTAD, UNFPA, etc. As a result, interactive levels between those entities have multiplied not only at the senior management level, but also at the professional and working levels, yielding tangible results in the form of useful exchanges of information data, staff expertise and the undertaking of joint projects and activities.

7. In addition, the Secretariat has sought to make the research of the organizations more responsive to the needs of Member States. For example, the scope of the World Economic Survey has been widened in response to mandates from the General Assembly. Issues such as the net transfer of resources, external debt, social implications of adjustment policies and women's issues have been given greater prominence. That approach was noted favourably by Member States at the second regular session of the Economic and Social Council in 1989.

8. In areas where there have yet been no such formal agreements, the need for greater interaction and cross fertilization between the sectoral analytical capacity of the Secretariat and organizations supporting operational activities has led to the initiation of a number of ad hoc joint projects involving, for example, UNDP and the Department of International Economic and Social Affairs.

III. UNITED NATIONS AUTONOMOUS RESEARCH BODIES

9. Existing autonomous research bodies of the system, such as the United Nations University, carry out a considerable amount of research that can contribute to international co-operation in solving current and emerging international problems of an economic and social character. Initiatives have thus been taken to establish or improve closer relationships between those autonomous research organizations and the organizations of the system. In that context, the General Assembly, in its resolution 43/201 of 20 December 1988, requested the Secretary-General to explore new modalities for greater interfacing among United Nations autonomous research institutes. The Secretary-General accordingly sought the views of the Directors of those institutes on this matter. Their responses suggest the existence of a widespread, informal information exchange network among autonomous research bodies of the United Nations system in the form of contacts at the working level, the circulation of data and documents, and the distribution of monographs, reports and publications of varying periodicity reflecting present research results.

10. On the basis of that information, the Secretary-General submitted a number of proposals to the General Assembly in his report (A/44/611) designed to promote greater co-operation among United Nations research bodies. Those include the possibility of developing, under the aegis of the United Nations University, a comprehensive register of research in the United Nations system by broadening the registry of research carried out in the United Nations system in the field of science and technology now planned by the United Nations University and the Centre for Science and Technology for Development to the political, economic and social fields as well. Such a register could be expected to be an important catalyst for closer collaboration between the international scientific community and the United Nations system and also of benefit to Governments and aid agencies. It would also usefully complement the Register of Development Activities of the United Nations System, published annually under the authority of the Advisory Committee for Co-ordination of Information Systems. The Secretary-General also expressed the opinion that the work of research institutes should focus more on the activities undertaken within the framework of the subsidiary machinery of the Administrative Committee on Co-ordination and underlined the need for an institutional mechanism for enhanced interfacing among research institutions.

11. The General Assembly, in its resolution 44/175 of 19 December 1989, endorsed the proposals of the Secretary-General and invited him to explore new modalities for greater interfacing among United Nations research bodies. In that context, the Assembly requested the Director-General for Development and International Economic Co-operation to organize a meeting of United Nations research institutes with a view to enhancing practical co-operation among them, particularly in regard to the formulation and implementation of their programmes and plans.

12. In implementation of the request of the General Assembly, the Director-General has scheduled a meeting of heads of United Nations research institutes to be held at Geneva on 11 July 1990. Invitations have been addressed to 14 research organizations: United Nations University, United Nations Research Institute for Social Development, United Nations Social Defence Research Institute, the International Research and Training Institute for the Advancement of Women, United Nations Institute for Disarmament Research and its three affiliated regional centres in Africa, Latin America and Asia, UNITAR, the Latin American Institute for Economic and Social Planning, the Latin American Demographic Centre, the International Institute for Labour Studies, the Economic Development Institute of the World Bank, and the IMF Institute. In addition, invitations have also been extended in the Secretariat, to the heads of the Department of International Economic and Social Affairs, the Centre for Science and Technology for Development, UNCTAD, the United Nations Centre on Transnational Corporations, the Department for Disarmament Affairs, the Office for Research and the Collection of Information, and the executive secretaries of the regional commissions. The purpose of the meeting will be to explore, in the light of the priorities of intergovernmental bodies, new ways and means to strengthen practical co-operation among autonomous research bodies at the planning and implementation stages of their respective programmes and long-term research activities and plans, as well as between them and the Secretariat units concerned. Consideration would also be given to identifying modalities for ensuring that the results of the research undertaken or planned by United Nations research bodies would be fed back into the system for future policy action. It is expected that the discussions will focus in particular on the proposals of the Secretary-General referred to in paragraph 10 above, including the registry of research carried out in the United Nations system. The meeting would also consider the desirability, frequency and modalities of holding future meetings of this kind. Regarding the future of these meetings and in order to enhance their value and to facilitate the potential and practical contributions of participating research institutes and Secretariat units, the Secretary-General believes that consideration could be given to having one institution responsible for convening them. In the light of the mandate of the United Nations University, as reflected in its Charter, as approved by the General Assembly, and the broad scope of its activities, the University could be considered for this role.